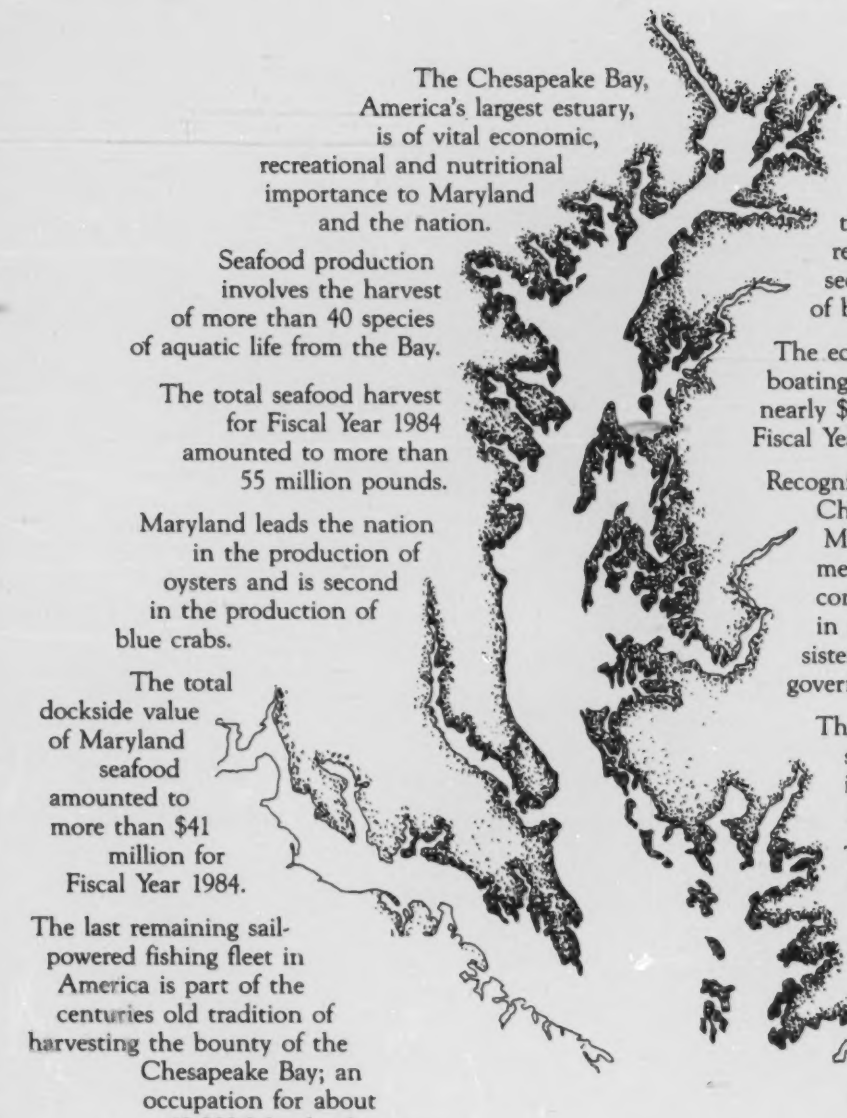

The Chesapeake Bay, America's largest estuary, is of vital economic, recreational and nutritional importance to Maryland and the nation.

Seafood production involves the harvest of more than 40 species of aquatic life from the Bay.

The total seafood harvest for Fiscal Year 1984 amounted to more than 55 million pounds.

Maryland leads the nation in the production of oysters and is second in the production of blue crabs.

The total dockside value of Maryland seafood amounted to more than $41 million for Fiscal Year 1984.

The last remaining sail-powered fishing fleet in America is part of the centuries old tradition of harvesting the bounty of the Chesapeake Bay; an occupation for about 12,000 Marylanders.

Recreational boating's importance can be seen in the nearly 142,000 boats registered in Maryland, the second largest concentration of boats on the Atlantic seaboard.

The economic impact of pleasure boating in Maryland amounted to nearly $500 million during Fiscal Year 1984.

Recognizing the importance of the Chesapeake Bay as a vital resource, Maryland has taken the lead in meeting the challenges that confront the Bay's survival, in cooperation with her sister states and the federal government.

The Chesapeake Bay has a surface area of 1,726 square miles in Maryland alone, with 4,100 miles of shoreline.

The Chesapeake Bay borders 18 of Maryland's 24 subdivisions of government.

The Chesapeake Bay is nearly 185 miles long in Maryland, and is between 3 and 22 miles wide, with an average depth of 21 feet.

Map courtesy of Maryland Department of Natural Resources

S3685-2

STATE OF MARYLAND

COMPREHENSIVE ANNUAL FINANCIAL REPORT
for the year ended June 30, 1984
PREPARED
by the State Comptroller's Office
Louis L. Goldstein
Comptroller of the Treasury of Maryland

STATE OF MARYLAND
COMPREHENSIVE ANNUAL FINANCIAL REPORT
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INTRODUCTORY SECTION

STATE OF MARYLAND
SELECTED STATE OFFICIALS

EXECUTIVE

Harry Hughes
Governor

J. Joseph Curran
Lieutenant Governor

Louis L. Goldstein
Comptroller

Stephen H. Sachs
Attorney General

William S. James
Treasurer

JUDICIAL

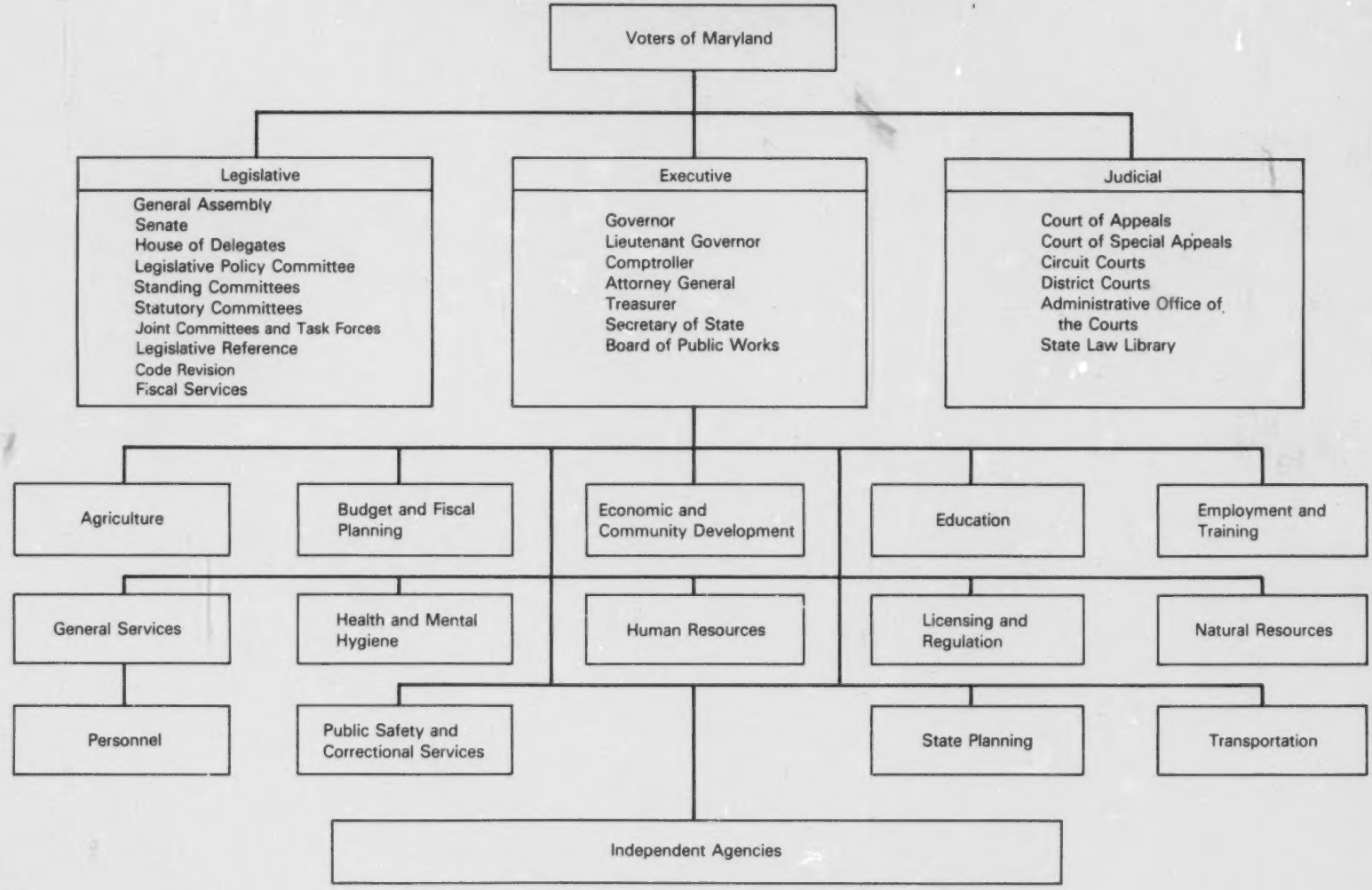
Robert C. Murphy
Chief Judge
Court of Appeals of Maryland

LEGISLATIVE

Melvin A. Steinberg
President of the Senate
(47 Senators)

Benjamin L. Cardin
Speaker of the House of Delegates
(141 Delegates)

ORGANIZATION CHART OF MARYLAND STATE GOVERNMENT



Reprinted from the Maryland Manual

Certificate of Conformance in Financial Reporting

Presented to

State of Maryland

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 1983

A Certificate of Conformance in Financial Reporting is presented by the Municipal Finance Officers Association of the United States and Canada to governmental units and public employee retirement systems whose comprehensive annual financial reports (CAFR's) are judged to substantially conform to program standards.

Jim C. Kirkland
President

Jeffrey L. Esser
Executive Director

Louis L. Goldstein
Maryland State Comptroller

LOUIS L. GOLDSTEIN
COMPTROLLER OF THE TREASURY
LOUIS L. GOLDSTEIN TREASURY BUILDING
P.O. BOX 466
ANNAPOLIS, MARYLAND 21404-0466
269-3801

November 30, 1984

Honorable Members of the General
Assembly and the Governor
State of Maryland

The Comprehensive Annual Financial Report of the State of Maryland, for the fiscal year ended June 30, 1984, submitted herewith includes financial statements of the State of Maryland as well as information required by Article 19, Section 9 of the annotated code. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the Office of the Comptroller. I believe the data, as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the State as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the State's financial affairs have been included.

Financial and Accounting Systems

The financial statements contained in this report have been prepared in accordance with generally accepted accounting principles and have been examined by Touche Ross & Co., whose report thereon is included in this report.

Maryland maintains its accounts to conform to generally accepted accounting principles and also to comply with the legally mandated budget. Financial control is generally exercised under the budgetary system. The State recognizes the difficulties and complexities involved in maintaining dual systems, and it has formed a task force to guide the conversion of budgetary practices into conformity with generally accepted accounting practices.

During the most recent fiscal year, timing differences between budgetary practices and generally accepted accounting practices were eliminated for the enterprise, trust and agency, and higher education and university hospital funds. The remaining timing differences in the general fund must be evaluated by the Executive and Legislative branches to determine the method of and timing for conversion to generally accepted accounting principles. Differences in fund structure are continuing to be analyzed by the task force to determine the appropriate approach to conversion.

The financial statements include the various departments, agencies and other organizational units governed by the General Assembly and/or constitutional officers of the State of Maryland. The following critieria was utilized to determine the entity for the State of Maryland: selection of governing authority, appointment of management, constitutional officers' ability to significantly influence operations and accountability for fiscal operations and scope of public service.

General Governmental Functions

Revenues of the general governmental functions (excluding capital projects) totaled $5,643,154,000 for the fiscal year ended June 30, 1984. This represents an increase of 12.6 percent over revenues for the fiscal year 1983. Income tax, the largest source of revenue, produced 32.0 percent of general governmental revenues compared to 31.1 percent last year. The revenues (amounts expressed in thousands) from various sources and the changes from last year are shown in the following tabulation:

Revenue Source	Amount	Percent of Total	Increase (Decrease) Over 1983 Actual Amount	Percent
Income taxes	$1,803,939	32.0%	$245,424	15.7%
Retail sales and use taxes	988,284	17.5	123,197	14.2
Motor vehicle taxes and fees	635,602	11.3	117,328	22.6
Other taxes	574,353	10.2	23,689	4.3
Other licenses and fees	70,387	1.2	12,899	22.4
Charges for services	229,160	4.1	43,575	23.5
Interest and other investment income	84,421	1.5	(12,200)	(12.6)
Other	111,128	1.9	23,540	26.9
Federal revenue	1,145,880	20.3	52,536	4.8
Total	$5,643,154	100.0%	$629,988	12.6%

Of the total income tax revenue for fiscal year 1984, $1,628,489,000 was produced by the individual income tax and $175,450,000 by the corporate income tax, representing increases of $199,088,000 and $46,336,000, respectively, compared to the prior year. The increase in individual income tax revenues of 13.9 percent over the prior year is attributable to population growth and a higher personal income level for the State's taxpayers. The increase in the corporate income tax revenues of 35.9 percent from the prior year is attributable to the improvement in the national economy.

The retail sales and use taxes increased $123,197,000 or 14.2 percent over the previous year which is also attributable to the improvement in the national economy.

The motor vehicle taxes and fees increased $117,328,000 or 22.6 percent over the previous year. The increase was due to a rise in the motor vehicle fuels tax rate from 11 cents to 13½ cents per gallon and a continued upturn in revenues from the motor vehicle titling tax.

Other licenses and fees increased $12,899,000 or 22.4 percent over 1983. This increase was primarily attributable to increases in revenues earned by the clerks of courts.

Revenues from charges for services increased $43,575,000 or 23.5 percent over 1983. This increase resulted primarily from additional federal revenues earned for reimbursement of hospital costs for medicare patients in state hospitals.

Interest and other investment income decreased $12,200,000 or 12.6 percent from the previous year. This decline resulted from a decrease in the amounts available for investments during the year.

Other revenues increased $23,540,000 or 26.9 percent over 1983. This increase resulted primarily from commission on licenses and permits issued which were formerly classified as other taxes.

Changes in levels of expenditures (amounts expressed in thousands) for major functions from the previous year (excluding capital projects) are shown in the following tabulation:

Function	Amount	Percent of Total	Increase (Decrease) Over 1983 Actual Amount	Percent
Current:				
General government	$ 199,323	3.7%	$ (18,546)	(8.5)%
Education	983,603	18.2	26,804	2.8
Human resources	543,078	10.1	21,465	4.1
Health and mental hygiene	1,131,159	20.9	105,964	10.3
Transportation	380,167	7.0	55,257	17.0
Public safety and judicial	317,823	5.9	(15,564)	(4.7)
Economic and community development	24,088	.4	2,951	14.0
Natural resources and recreation	59,259	1.1	(228)	.0
Agriculture	20,650	.4	1,995	10.7
Personnel and retirement	505,587	9.4	90,727	21.9
Intergovernmental	414,106	7.7	103,432	33.3
Debt service	425,977	7.9	(15,703)	(3.6)
Capital outlays for transportation	397,350	7.3	(48,188)	(10.8)
Total	$5,402,170	100.0%	$ 310,366	6.1%

Expenditures for transportation increased $55,257,000 or 17.0 percent over 1983. This is primarily attributable to an increase in highway maintenance costs and the operating costs related to the new Baltimore City subway system which commenced operations in fiscal year 1984.

Personnel and retirement expenditures include costs of all benefits for State employees and social security, pension and retirement costs for certain employees of local public schools. In general, the increase in expenditures of $90,727,000 or 21.9 percent over 1983 is attributable to the increase in fringe benefit costs.

Intergovernmental expenditures increased $103,432,000 or 33.3 percent over 1983. The increase was primarily attributable to a reclassification of expenditures formerly shown under public safety and judicial for the payment of local license revenues collected by the clerks of courts on behalf of the political subdivisions.

Operating transfers in of $218,816,000 increased $10,380,000 from the preceding year, and operating transfers out of $405 601,000 increased $40,463,000 from the preceding year. The operating transfers out increase of 11.1 percent over the amount for 1983 was attributable to an increase in property transfer tax revenues used to fund outdoor recreation projects and an increase in the transfer of general funds to the higher education and university hospital fund.

The general fund unreserved fund deficit at June 30, 1984 was $122,674,000 compared to an unreserved fund deficit at June 30, 1983 of $102,314,000, a decline of $20,360,000 during the year. This decline was the result of a planned reduction in the budgetary fund balance and changes in the timing differences between budgetary practices and generally accepted accounting principles.

Differences in accounting treatment between generally accepted accounting principles and the legally mandated budget have usually produced an adverse effect upon the general fund operating results and fund balances when they are reported under generally accepted accounting principles. Changes in the differences between 1984 and 1983 were attributable to an unanticipated growth in the dollar amount in expected areas rather than to an increase in the number of departures in the budgetary system from generally accepted accounting principles.

Management of financial resources is exercised through the legally mandated budgetary system of the State. As planned, the budgetary system produced a positive general fund balance at June 30, 1984. For further information on these differences, see footnote 3 to the financial statements.

The special revenue unreserved fund balance of $162,404,000 increased $44,492,000 over the preceding year because of significant increases in motor vehicle taxes and fees revenues and in the corporate income tax revenues, a portion of which is used for transportation activities. The debt service unreserved fund balance of $527,489,000 increased $53,010,000 from the prior year. This increase, which is consistent with prior years, is occurring to meet future debt service requirements.

Debt Administration

The ratio of net bonded debt to assessed value and the amounts of bonded debt per capita are considered to be useful indicators of the State's debt position to State management, citizens and investors. Data for fiscal years 1983 and 1984 are shown as follows:

	Amount (expressed in thousands)	Ratio of Net Bonded Debt to Assessed Value (52.1% of Present Market)	Ratio of Debt to Present Market Value	Bonded Debt Per Capita
General obligation bonds:				
1983	$2,409,890	4.61%	2.47%	$557.97
1984	$2,314,315	4.08%	2.13%	$531.54

Additionally, outstanding limited obligation bonds of the Department of Transportation amounted to $776,485,000 at June 30, 1984. Debt service on these bonds is provided principally by excise taxes levied by statute. Self-supporting revenue bonds outstanding at June 30, 1984 were $986,815,000. Long-term

obligations for accrued retirement costs of $561,960,000 represent the excess of retirement costs over retirement expenditures since 1978 and are being funded on a long-term basis through annual contributions, principally from general fund revenue. Long-term obligations for accrued annual leave of $60,689,000 represent the value of accumulated earned but unused annual leave for general government employees at June 30, 1984.

In 1978, the Capital Debt Affordability Committee was created to study the State's debt structure and to recommend maximum limitations on annual debt authorizations. Although the recommendations of the Committee are not binding on the State's General Assembly, the amounts of annual general obligation bond authorizations for 1984 were within the limits established by the Committee. For the fiscal year 1984, new general obligation bond authorizations amounted to $203,150,000.

The following tabulation shows the general obligation bonds issued during the past three fiscal years.

State of Maryland—General Obligation Bonds

Date of Issue	Amount	Average Life in Years	Effective Interest Rate	Interest Cost Per Borrowed Dollar
July 1, 1981	$ 91,915,000	10.1	9.20%	93.0¢
November 15, 1981	96,265,000	10.2	11.30	115.6
July 1, 1982	140,495,000	10.4	11.10	115.6
December 1, 1982	126,735,000	10.3	8.37	86.0
June 30, 1983	125,000,000	10.1	8.31	83.9
March 1, 1984	116,700,000	10.1	8.18	82.7

Maryland's general obligation bonds have been rated Aaa by Moody's Investors Service and AAA by Standard and Poor's for a number of years.

Additionally, limited obligation bonds issued by the Department of Transportation and self supporting revenue bonds issued by enterprise agencies amounted to $29,770,000 and $282,177,000, respectively, during 1984.

Cash Management

During the year, temporary surpluses of cash in general governmental funds were invested in repurchase agreements and U. S. Treasury and Agency obligations with maturities ranging from one to 181 days and in time deposits ranging from 180 to 365 days. For the fiscal year ended June 30, 1984 the State's cash resources for general governmental funds were invested as follows: in repurchase agreements, 42.6 percent; in United States Treasury and Agency obligations, 57.2 percent; and in certificates of deposits, 0.2 percent. The average yield on maturing investments during the year was 9.8 percent, as compared to 9.1 percent in the prior year, and the amount of interest received was $84,421,000, which was $12,200,000 less than the previous year.

Capital Projects Fund

Proceeds of general obligation bond issues are accounted for in the capital projects fund. Completed projects and uncompleted construction in progress at year end which are assets of the State are capitalized in the general fixed assets account group, the appropriate enterprise fund for self-supporting projects or the higher education and university hospital fund. During fiscal year 1984, state projects costing $815,088,000, of which $755,362,000 relates to the Baltimore City subway system, were completed. State grants for capital projects of local governments and other public organizations amounted to $99,649,000 in the fiscal year, a decrease of $113,000 from 1983.

Authorized but unissued general obligation bonds at June 30, 1984 totaled $650,284,000.

Enterprise, Fiduciary, and Higher Education and University Hospital Funds

All enterprise funds reported retained earnings for the year ended June 30, 1984. Maryland Environmental Service and Maryland Higher Education Loan Corporation reported a decline in retained earnings during the year. Overall the increase in retained earnings for enterprise funds during 1984 was $64,691,000 as compared to an increase of $56,156,000 in 1983.

Fiduciary fund types include expendable and nonexpendable trust funds, pension trust fund and agency funds. Agency funds are custodial in nature and do not report fund balances. All other fiduciary fund types reported fund balances of $4,237,786,000 at June 30, 1984, as compared to $4,003,318,000 at June 30, 1983.

The total fund balance for the higher education and university hospital fund was $1,134,565,000 at June 30, 1984, as compared to $1,078,998,000 at June 30, 1983.

General Fixed Assets

The general fixed assets of the State are those used in the performance of general governmental functions and exclude the fixed assets of the proprietary fund type, fiduciary fund types and the higher education and university hospital fund. As of June 30, 1984, the general fixed assets of the State amounted to $2,770,469,000. This amount represents the actual or estimated cost of the assets. Depreciation of general fixed assets is not recognized in the State's accounting system. Infrastructure assets, consisting principally of highways, roads and bridges are not recorded in the general fixed assets.

Audits

The statutes of the State require an audit of every unit of the Executive and Judicial branches of government, including the Comptroller of the Treasury's records, by the Legislative Auditor at least every two years. The Legislative Auditor is required to be and is a certified public accountant. The Legislative Auditor makes fiscal, compliance and performance audits of the various agencies and departments of the State and issues a separate report covering each of those audits. Although certain of those reports include presentations of detailed financial data and contain expressions of opinion thereon, the audits are usually not made for that purpose. The primary purpose of the reports is to present the Legislative Auditor's findings relative to the fiscal management of those agencies and departments.

Additionally, my office requires an examination of the State's combined financial statements by a firm of independent certified public accountants selected by an audit committee composed of members from the Executive and Legislative branches of State government. This requirement has been complied with, and the auditor's opinion has been included in this report.

Certificate of Conformance

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Conformance in Financial Reporting to the State of Maryland for its comprehensive annual financial report for the fiscal year ended June 30, 1983.

In order to be awarded a Certificate of Conformance, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Conformance is valid for a period of one year only. We believe our current comprehensive annual financial report continues to conform to Certificate of Conformance Program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Outlook

The current economic expansion, though slowing, is expected to continue throughout 1984 and 1985, thus indicating favorable revenue prospects for the 1985 fiscal year. Although housing activity appears to be slowing, rising employment and income within the State should ensure that general fund revenues will grow at a rate similar to that experienced during the 1984 fiscal year.

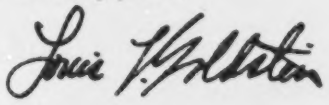
General fund revenues will be augmented during fiscal year 1985 by the transfer of portions of the motor fuels and corporation income taxes formerly allocated to the Transportation Trust Fund. It is expected that these losses to the Transportation Trust Fund will be recouped through continued strength in motor vehicle titling, motor fuels and corporation income tax receipts.

New bond authorizations to support the 1985 capital budget amounted to $209,800,000. For the fourth consecutive year the new authorizations were within the limit recommended by the Capital Debt Affordability Committee.

Based upon Maryland's tradition of strong fiscal management as demonstrated by its commitment to the capital debt affordability program, requirements of the Certificate of Conformance program, and independent audits along with the continuing positive revenue outlook for the State, I am confident that Maryland will maintain its position of fiscal leadership in the years ahead.

I will be pleased to furnish additional information on the State's finances upon request.

Cordially yours,



Louis L. Goldstein
Comptroller of the Treasury
of Maryland

FINANCIAL SECTION

Touche Ross & Co.

The Honorable Louis L. Goldstein
Comptroller of the Treasury of Maryland

We have examined the combined financial statements of the State of Maryland as of and for the year ended June 30, 1984, as listed in the Table of Contents. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. We did not examine the financial statements of the loan insurance programs and two loan programs of the Maryland Department of Economic and Community Development, Maryland Food Center Authority, Maryland Transportation Authority, Maryland State Lottery, Maryland Environmental Service, and Maryland Higher Education Loan Corporation, which statements reflect total assets, revenues and expenses constituting 93 percent, 98 percent and 95 percent, respectively, of the related combined totals for Enterprise Funds. We also did not examine the financial statements of University Hospital, which statements reflect total assets, revenues, and expenses constituting 8 percent, 26 percent and 17 percent, respectively, of the related combined totals for the Higher Education and University Hospital Fund. These statements were examined by other auditors whose reports thereon have been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included for the above mentioned units, is based only upon the reports of other auditors.

In our opinion, based upon our examination and the reports of other auditors, the combined financial statements referred to above present fairly the financial position of the State of Maryland as of June 30, 1984, and the results of its operations and the changes in financial position of its Enterprise Funds, Nonexpendable Trust Fund and Pension Trust Fund for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Our examination was made for the purpose of forming an opinion on the combined financial statements taken as a whole. The combining financial statements and schedules listed in the Table of Contents are presented for purposes of additional analysis and to meet legal reporting requirements and are not a required part of the combined financial statements of the State of Maryland. Except for the Schedules of Estimated Revenues and General, Special and Federal Fund Appropriations-Budgetary Basis for the year ending June 30, 1985 (pages 69 and 70), the information has been subjected to the auditing procedures applied in the examination of the combined financial statements and, in our opinion, is fairly stated in all material respects in relation to the combined financial statements taken as a whole.

The other data included in this report have not been audited by us and, accordingly, we express no opinion on such data.

Touche Ross & Co.

Baltimore, Maryland
October 26, 1984

Certified Public Accountants

COMBINED FINANCIAL STATEMENTS AND SCHEDULES

STATE OF MARYLAND
Combined Balance Sheet
All Fund Types and Account Groups
June 30, 1984
(Expressed in Thousands)

	Governmental Fund Types				Proprietary Fund Type	Fiduciary Fund Types	Account Groups		Higher Education and University Hospital	Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Trust and Agency	General Fixed Assets	General Long-Term Debt		
Assets:										
Cash and short-term investments		$122,236	$ 29,463	$116,957	$379,637	$ 131,811			$ 59,107	$ 839,211
Investments (Note 4)	$ 58,431	78,447	418,291		213,909	4,112,533			44,977	4,926,588
Amount on deposit with U.S. Treasury						170,178				170,178
Taxes receivable, net (Note 5)	278,700	31,643	8,362			87,518				406,223
Intergovernmental receivables	109,191	64,013			4,668				19,549	197,421
Tuition and patient services, net of allowance of $11,749									41,060	41,060
Other accounts receivable	22,631	20,146			10,100	39,547			94	92,518
Due from other funds	6,757				1,005	163,437				171,199
Inventories					1,946	58			18,856	20,860
Loans and notes receivable, net (Note 6)	220		83,274	8,996	656,874				24,766	774,130
Loans to other funds (Note 11)	2,000		13,872							15,872
Property, plant and equipment, net (Note 7)					775,008	1,140	$2,770,469		1,161,298	4,707,915
Restricted assets (Note 11)					155,065					155,065
Other assets	7,287				33,890				3,110	44,287
Amounts available in debt service fund for retirement of:										
General obligation bonds								$ 106,703		106,703
Transportation bonds								420,786		420,786
Amounts to be provided for:										
Retirement of general obligation bonds								2,207,612		2,207,612
Retirement of transportation bonds								355,699		355,699
Retirement of accrued retirement costs								561,960		561,960
Retirement of accrued annual leave								60,689		60,689
Total assets, amounts available and amounts to be provided for retirement of bonds and accrued retirement costs and annual leave	$485,217	$316,485	$553,262	$125,953	$2,232,102	$4,706,222	$2,770,469	$3,713,449	$1,372,817	$16,275,976
Liabilities:										
Deficiency in cash and short-term investments	$129,462									$ 129,462
Accounts payable and accrued liabilities	183,612	$114,986		$ 19,284	$ 27,011	$ 91,106			$ 70,423	506,422
Due to other funds	163,437	3,915				3,847				171,199
Accounts payable to political subdivisions	23,469	28,579				97,954				150,002
Local income tax refunds						144,499				144,499
Lottery prizes					26,861					26,861
Accrued insurance and loan losses (Note 12)					4,185	117,100				121,285
Accrued annual leave								$ 60,689		60,689
Other liabilities					23,861	5,829				29,690

Deferred revenue	50,005				16,469	8,101			15,951	90,526
Loans from other funds (Note 11)					15,872					15,872
Notes payable (Note 11)					62,925					62,925
Matured bonds and interest coupons payable			$ 1,705							1,705
Liabilities payable from restricted assets (Note 11)					5,230					5,230
Accrued retirement costs								561,960	83,387	645,347
General obligation bonds payable (Note 8)								2,314,315		2,314,315
Transportation bonds payable (Note 9)								776,485		776,485
Revenue bonds payable (Note 11)					954,407				32,408	986,815
Obligations under capital leases (Note 11)									36,083	36,083
Total liabilities	549,985	147,480	1,705	19,284	1,136,821	468,436		3,713,449	238,252	6,275,412
Commitments and contingencies (Notes 12 and 13)										
Fund equity:										
Investment in fixed assets							$2,770,469		1,126,178	3,896,647
Contributed capital (Note 15)					212,651					212,651
Retained earnings:										
Reserved					153,167					153,167
Unreserved					729,463					729,463
Fund balances:										
Reserved for:										
Encumbrances	55,686	6,601		191,955						254,242
Loans and notes receivable (Note 6)	220		24,068							24,288
Loans to other funds (Note 11)	2,000									2,000
Higher education programs									27,245	27,245
Shore erosion loan program				8,996						8,996
Endowment and similar funds									26,098	26,098
Pension benefits (Note 14)						3,792,035				3,792,035
Workers' compensation benefits						43,101				43,101
Unemployment compensation benefits						250,709				250,709
Unrealized market depreciation on investments						(5,955)				(5,955)
Unreserved:										
Designated for:										
General long-term debt service			106,703							106,703
Transportation debt service			420,786							420,786
Deferred compensation benefits						157,896				157,896
Agency activities	62,572									62,572
Undesignated (deficit)	(185,246)	162,404		(94,282)					(44,956)	(162,080)
Total fund equity (deficit)	(64,768)	169,005	551,557	106,669	1,095,281	4,237,786	2,770,469		1,134,565	10,000,564
Total liabilities and fund equity	$485,217	$316,485	$553,262	$125,953	$2,232,102	$4,706,222	$2,770,469	$3,713,449	$1,372,817	$16,275,976

The accompanying notes to combined financial statements are an integral part of these financial statements.

STATE OF MARYLAND

Combined Statement of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Fund Balances All Governmental Fund Types and Expendable Trust Funds for the year ended June 30, 1984

(Expressed in Thousands)

	Governmental Fund Types				Fiduciary Fund Types	Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	
Revenues:						
Income taxes	$1,803,939					$1,803,939
Retail sales and use taxes	988,284					988,284
Motor vehicle taxes and fees		$ 635,602				635,602
Other taxes	457,105		$117,248		$314,027	888,380
Other licenses and fees	70,387					70,387
Charges for services	101,778	127,382				229,160
Interest and other investment income	35,408	11,018	37,995		5,685	90,106
Contributions					21,645	21,645
Other	100,495	7,762	2,871			111,128
Federal revenue	898,462	247,418		$ 734	50,039	1,196,653
Total revenues	4,455,858	1,029,182	158,114	734	391,396	6,035,284
Expenditures:						
Current:						
General government	199,323					199,323
Education	983,603					983,603
Employment and training					284,512	284,512
Human resources	543,078					543,078
Health and mental hygiene	1,131,159					1,131,159
Transportation		380,167				380,167
Public safety and judicial	317,823					317,823
Economic and community development	24,088					24,088
Natural resources and recreation	59,259					59,259
Agriculture	20,650					20,650
Personnel and retirement (Note 14)	505,587				11,326	516,913
Intergovernmental	223,081	191,025		99,649		513,755
Debt service:						
Principal retirement			228,760			228,760
Interest			197,217			197,217
Capital outlays		397,350		88,265		485,615
Total expenditures	4,007,651	968,542	425,977	187,914	295,838	5,885,922
Excess (deficiency) of revenues over expenditures	448,207	60,640	(267,863)	(187,180)	95,558	149,362
Other sources (uses) of financial resources:						
Proceeds from bonds and demand notes		29,770		116,700		146,470
Operating transfers in	247,823	91,372	321,759	53,652		714,606
Operating transfers out	(709,153)	(136,810)	(1,776)	(18,241)		(865,980)
Net other sources (uses) of financial resources	(461,330)	(15,668)	319,983	152,111		(4,904)
Excess (deficiency) of revenues over expenditures and net other sources (uses) of financial resources	(13,123)	44,972	52,120	(35,069)	95,558	144,458
Fund balances (deficit), July 1, 1983	(51,645)	124,033	499,437	141,738	313,047	1,026,610
Fund balances (deficit), June 30, 1984	$ (64,768)	$ 169,005	$551,557	$106,669	$408,605	$1,171,068

The accompanying notes to combined financial statements are an integral part of these financial statements.

STATE OF MARYLAND

Combined Statement of Revenues, Expenditures and Encumbrances, Other Sources and Uses of Financial Resources and Changes in Fund Balances—Budget and Actual— Budgetary General, Special and Federal Funds (Note 3) for the year ended June 30, 1984

(Expressed in Thousands)

	Budgetary Funds								
	General Fund			Special Fund			Federal Fund		
	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:									
Income taxes	$1,676,060	$1,693,373	$17,313	$ 72,791	$ 89,580	$ 16,789			
Retail sales and use taxes	972,230	988,285	16,055						
Other taxes	302,569	296,592	(5,977)	655,946	683,909	27,963			
Licenses and fees	41,547	43,405	1,858	109,216	120,017	10,801			
Charges for services	46,595	48,602	2,007	559,719	600,114	40,395			
Interest and other investment income	38,755	38,277	(478)	7,500	11,577	4,077			
Other	227,835	228,680	845	387,976	269,961	(118,015)	$ 93,948	$ 76,155	$(17,793)
Federal revenue	48,000	38,340	(9,660)		14,646	14,646	1,411,585	1,234,403	(177,182)
Total revenues	3,353,591	3,375,554	21,963	1,793,148	1,789,804	(3,344)	1,505,533	1,310,558	(194,975)
Expenditures and encumbrances by major function:									
Payments of revenue to civil divisions of the State	123,900	122,680	1,220	38,589	33,722	4,867			
Public debt	68,900	68,900		292,379	292,379				
Legislative	19,114	18,791	323						
Judicial review and legal	67,369	67,259	110	734	720	14	912	831	81
Executive and administrative control	19,161	18,466	695	2,127	1,685	442	26,699	26,363	336
Financial and revenue administration	99,800	93,433	6,367	27,932	27,134	798			
Budgetary and fiscal administration	3,474	3,349	125	330	330				
Personnel administration, retirement, and employee relations	578,127	578,127		15,203	13,843	1,360			
State planning	3,327	3,321	6	981	981		321	293	28
General services	21,529	21,227	302	682	671	11	195	140	55
Transportation and highways				839,175	802,788	36,387	445,455	331,292	114,163
Natural resources and recreation	26,199	26,095	104	31,062	27,672	3,390	13,123	12,280	843
Agriculture	8,558	8,442	116	6,791	5,467	1,324	2,319	1,857	462
Health, hospitals, and mental hygiene	750,908	748,559	2,349	27,880	27,014	866	338,503	332,575	5,928
Human resources	227,176	219,963	7,213	833	805	28	297,581	279,075	18,506
Licensing and regulation	14,114	13,965	149	1,783	1,593	190	2,300	2,199	101
Public safety and correctional services	197,488	195,908	1,580	25,863	24,871	992	2,794	1,591	1,203
Public education	1,216,355	1,209,448	6,907	465,377	444,016	21,361	275,843	261,301	14,542
Economic and community development	17,052	16,752	300	15,427	8,211	7,216	20,275	18,331	1,944
Employment and training	433	372	61				79,213	48,361	30,852
Reversions:									
Current year reversions	(35,000)		(35,000)						
Prior year reversions		(2,127)	2,127		(1,901)	1,901		(2,978)	2,978
Total expenditures and encumbrances	3,427,984	3,432,930	(4,946)	1,793,148	1,712,001	81,147	1,505,533	1,313,511	192,022
Changes in encumbrances during fiscal year 1984		(1,588)	1,588		1,083	(1,083)		(4,234)	4,234
Total expenditures	3,427,984	3,431,342	(3,358)	1,793,148	1,713,084	80,064	1,505,533	1,309,277	196,256
Excess (deficiency) of revenues over expenditures	(74,393)	(55,788)	18,605		76,720	76,720		1,281	1,281
Other sources (uses) of financial resources:									
Operating transfers in (out)	45,500	42,183	(3,317)		(27,359)	(27,359)		(1,281)	(1,281)
Excess (deficiency) of revenues over expenditures and other sources (uses) of financial resources	(28,893)	(13,605)	15,288		49,361	49,361			
Fund balances, July 1, 1983	52,870	52,870		349,270	349,270				
Adjustment (Note 3)	2,000	2,000							
Fund balances, July 1, 1983 (restated)	54,870	54,870		349,270	349,270				
Fund balances, June 30, 1984	$ 25,977	$ 41,265	$15,288	$ 349,270	$ 398,631	$ 49,361	$ -0-	$ -0-	$ -0-

The accompanying notes to combined financial statements are an integral part of these financial statements.

STATE OF MARYLAND

Combined Statement of Revenues, Expenses and Changes in Retained Earnings/Fund Balances Enterprise Funds, Nonexpendable Trust Fund and Pension Trust Fund for the year ended June 30, 1984

(Expressed in Thousands)

	Proprietary Fund Type	Fiduciary Fund Types		Total (Memorandum Only)
	Enterprise	Nonexpendable Trust Fund	Pension Trust Fund	
Operating revenues:				
Lottery ticket sales	$536,808			$ 536,808
Charges for services and sales	101,233	$38,586		139,819
Contributions			$ 537,931	537,931
Interest and other investment income	118,662	16,781	199,464	334,907
Other	8,362	17		8,379
Total operating revenues	765,065	55,384	737,395	1,557,844
Operating expenses:				
Prizes and claims	277,344	47,920		325,264
Commissions and bonuses	21,372			21,372
Cost of sales and services	22,287			22,287
Operation and maintenance of facilities	58,120			58,120
General and administrative	40,184	4,798	5,911	50,893
Interest	85,174			85,174
Depreciation and amortization	3,813	46		3,859
Benefit payments and refunds			368,866	368,866
Provision for insurance and loan losses	1,051			1,051
Payments to subdivisions, net	7,313			7,313
Other	1,305			1,305
Total operating expenses	517,963	52,764	374,777	945,504
Operating income before operating grants and transfers	247,102	2,620	362,618	612,340
Operating grants	26,885			26,885
Operating transfers in	2,540			2,540
Operating transfers out	(211,935)			(211,935)
Net income	64,592	2,620	362,618	429,830
Add: Depreciation of cost of assets acquired from contributed capital	99			99
Increase in retained earnings/fund balance	64,691	2,620	362,618	429,929
Retained earnings/fund balance, July 1, 1983	817,939	44,002	3,429,417	4,291,358
Decrease in unrealized market appreciation of investments		(9,476)		(9,476)
Retained earnings/fund balance, June 30, 1984	$882,630	$37,146	$3,792,035	$4,711,811

The accompanying notes to combined financial statements are an integral part of these financial statements.

STATE OF MARYLAND
Combined Statement of Changes in Financial Position
Enterprise Funds, Nonexpendable Trust Fund and Pension Trust Fund
for the year ended June 30, 1984
(Expressed in Thousands)

	Proprietary Fund Type	Fiduciary Fund Types		Total (Memorandum Only)
	Enterprise	Nonexpendable Trust Fund	Pension Trust Fund	
Sources of financial resources:				
Operations:				
Net income	$ 64,592	$ 2,620	$362,618	$429,830
Expenses not requiring current outlay of financial resources:				
Depreciation and amortization	3,813	46		3,859
Other	463			463
Total sources of financial resources from operations	68,868	2,666	362,618	434,152
Increase in accrued insurance and loan losses	637	12,900		13,537
Increase in loans from other funds	3			3
Increase in notes payable	4,210			4,210
Increase in lottery prizes	11,042			11,042
Issuance of revenue bonds	282,177			282,177
Contributed capital	26,881			26,881
Other, net	(1,932)	(247)		(2,179)
Total sources of financial resources	391,886	15,319	362,618	769,823
Uses of financial resources:				
Increase in investments	5,618	10,279	362,207	378,104
Increase in other accounts, loans, and notes receivable	116,080	146	267	116,493
Increase in inventories	178	12		190
Acquisition of fixed assets	23,130	1,006		24,136
Increase in restricted assets	33,139			33,139
Decrease (increase) in accounts payable and accrued liabilities	(17,168)	(553)	144	(17,577)
Decrease in current liabilities payable from restricted assets	1,513			1,513
Repayment of notes payable	10,416			10,416
Retirement of revenue bonds	134,656			134,656
Total uses of financial resources	307,562	10,890	362,618	681,070
Net increase in unrestricted cash and short-term investments	$ 84,324	$ 4,429	$ -0-	$ 88,753

The accompanying notes to combined financial statements are an integral part of these financial statements.

STATE OF MARYLAND

Balance Sheet

Higher Education and University Hospital Fund

June 30, 1984

(Expressed in Thousands)

	Current Funds				Endowment and Similar Funds	Total
	Unrestricted	Restricted	Loan Funds	Plant Funds		
Assets:						
Cash and short-term investments	$ 77,899	$(13,091)	$ 1,651	$ (7,369)	$ 17	$ 59,107
Investments (Note 4)	948	37		17,953	26,039	44,977
Intergovernmental receivables		19,549				19,549
Tuition and patient services, net of allowance of $11,749	41,060					41,060
Other accounts receivable			3	91		94
Inventories	18,856					18,856
Loans and notes receivable, net of allowance of $7,313 (Note 6)			24,766			24,766
Property, plant and equipment, net (Note 7)				1,161,298		1,161,298
Interfund balances	(23,536)	(782)	(132)	24,408	42	
Other assets	2,705			405		3,110
Total assets	$117,932	$ 5,713	$26,288	$1,196,786	$26,098	$1,372,817
Liabilities:						
Accounts payable and accrued liabilities	$ 65,487	$ 2,839	$ 12	$ 2,085		$ 70,423
Deferred revenue	14,014	1,905		32		15,951
Accrued retirement costs	83,387					83,387
Revenue bonds payable (Note 11)				32,408		32,408
Obligations under capital leases (Note 11)				36,083		36,083
Total liabilities	162,888	4,744	12	70,608		238,252
Commitments and contingencies (Notes 12 and 13)						
Fund balances:						
Investment in fixed assets				1,126,178		1,126,178
Reserved for:						
Sponsored research		969				969
Loans to students			26,276			26,276
Endowment and similar funds					$26,098	26,098
Unreserved, undesignated (deficit)	(44,956)					(44,956)
Total fund balances	(44,956)	969	26,276	1,126,178	26,098	1,134,565
Total liabilities and fund balances	$117,932	$ 5,713	$26,288	$1,196,786	$26,098	$1,372,817

The accompanying notes to combined financial statements are an integral part of these financial statements.

STATE OF MARYLAND
Statement of Revenues, Expenses, Interfund Transfers, Operating Transfers and Changes in Fund Balances
Higher Education and University Hospital Fund
for the year ended June 30, 1984
(Expressed in Thousands)

	Current Funds				Endowment and Similar	
	Unrestricted	Restricted	Loan Funds	Plant Funds	Funds	Total
Revenues and other additions:						
Student tuition and fees	$165,550			$ 1,832		$ 167,382
Patient service revenue	142,514					142,514
Federal grants and contracts	14,293	$ 94,248	$ 1,121	135		109,797
State and local grants and contracts	672	9,181				9,853
Private gifts, grants, and contracts	3,747	16,391	34	345	$ 259	20,776
Sales and services	114,370			1,315		115,685
Investment income	1,193	943		1,987	780	4,903
Realized gains on endowment investments				2,573	1,676	4,249
Interest on loans receivable			896			896
Other	1,761		569	73		2,403
Total revenues and other additions	444,100	120,763	2,620	8,260	2,715	578,458
Expenses and other deductions:						
Educational and general:						
Instruction	257,056	3,471				260,527
Research	18,920	70,487				89,407
Public service	12,599	8,060				20,659
Academic support	26,212	34				26,246
Student services	36,999	2,474	317			39,790
Institutional support	72,663	421		638		73,722
Scholarships and fellowships	8,774	26,902	19			35,695
Operation and maintenance of plant	69,914	19				69,933
Auxiliary enterprises	83,562	11				83,573
Hospital	153,660	3,624				157,284
Noncapitalized expenditures for plant facilities				5,660		5,660
Loan cancellations, write-offs and refunds			1,057			1,057
Disposal of property, plant, and equipment				15,286		15,286
Interest on indebtedness				4,587		4,587
Other		10	49	73	102	234
Total expenses and other deductions	740,359	115,513	1,442	26,244	102	883,660
Higher Education and University Hospital interfund transfers - in (out):						
Mandatory:						
Principal and interest on revenue bonds	(3,330)			3,330		
Loan fund matching grant	(105)		105			
Debt service on capital lease	(4,394)			4,394		
Nonmandatory:						
Remodeling, renewals, and replacements	(27,009)	(6,632)		33,641		
Other	(50)		110		(60)	
Pooled construction fund	(5,854)			5,854		
Total Higher Education and University Hospital interfund transfers	(40,742)	(6,632)	215	47,219	(60)	
Operating transfer from State's general and capital projects funds	349,409			11,360		360,769
Net increase (decrease) in fund balances	12,408	(1,382)	1,393	40,595	2,553	55,567
Fund balances (deficit), July 1, 1983	(57,364)	2,351	24,883	1,085,583	23,545	1,078,998
Fund balances (deficit), June 30, 1984	$(44,956)	$ 969	$26,276	$1,126,178	$26,098	$1,134,565

The accompanying notes to combined financial statements are an integral part of these financial statements.

STATE OF MARYLAND

Notes to Combined Financial Statements

Year Ended June 30, 1984

1. Financial Statements and Descriptions of Funds and Account Groups:

A. *Financial Statements:*

The accompanying financial statements of the State of Maryland present the financial position of the various fund types and account groups, the results of operations of the various fund types, and the changes in financial position of the enterprise funds, nonexpendable trust fund and pension trust fund.

The financial statements include the various departments, agencies and other organizational units governed by the General Assembly and/or constitutional officers of the State of Maryland. The following criteria, as defined in National Council of Governmental Accounting Statement Number 3, were utilized to determine the entity for the State of Maryland: selection of governing authority, appointment of management, constitutional officers' ability to significantly influence operations, accountability for fiscal operations and scope of public service.

Certain reclassifications of July 1, 1983 balances have been made in the accompanying financial statements. Specifically, contributed capital of the Maryland State Lottery has been reclassed to retained earnings and the Social Security expendable trust fund has been reclassed to an agency fund. In addition, the refunded transportation debt expendable trust fund is no longer included in the accompanying financial statements (see Note 9).

B. *Fund Accounting:*

The financial activities are recorded in individual funds classified by type and described below. The financial position and operations of each fund are accounted for in separate self-balancing accounts which represent the fund's assets, liabilities, equity, revenues and expenditures or expenses.

GOVERNMENTAL FUND TYPES

General Fund:

Transactions related to resources obtained and used for those services traditionally provided by a state government, which are not accounted for in other funds, are accounted for in the general fund. The services include, among other things, general government, public safety and judicial, health and mental hygiene, human resources, licensing and regulation, and education (other than higher education institutions). Resources obtained from federal grants and used for activities accounted for in the general fund consistent with applicable legal requirements are recorded in the general fund.

Special Revenue Fund:

Transactions related to resources obtained, the uses of which are restricted to specific purposes, are accounted for in the special revenue fund. The special revenue fund includes resources used for operations (other than debt service) of the Maryland Department of Transportation Trust Fund, including construction or improvement of transportation facilities and mass transit operations.

Debt Service Funds:

Transactions related to resources obtained and used for the payment of interest and principal on general long-term debt obligations and transportation debt (other than Maryland Transportation Authority revenue bonds) are accounted for in debt service funds.

Capital Projects Fund:

Transactions related to resources obtained and used for the acquisition, construction or improvement of certain capital facilities, including those provided to political subdivisions and other public organizations are accounted for in the capital projects fund. Such resources are derived principally from proceeds of general obligation bond issues, federal grants and operating transfers from the State's general fund.

The State enters into long-term contracts for construction of major capital projects and records commitments as encumbrances. The State pays the cost of capital projects principally from resources obtained from general obligation bond proceeds, operating transfers from the general fund and federal grants. These resources are received, in many cases, after the long-term contracts are executed and recorded as encumbrances. Accordingly, the undesignated fund balance of the capital projects fund reflects a deficit. This deficit will be funded by future bond proceeds and capital appropriations from the general fund (see Note 8).

PROPRIETARY FUND TYPE

Enterprise Funds:

The enterprise funds include:

1. Economic Development:

   Direct loan and loan insurance programs of the Maryland Department of Economic and Community Development.

2. Maryland Food Center Authority, which owns and operates warehouse facilities for use by wholesale food distributors.

3. Maryland Transportation Authority, which constructs, maintains and operates transportation toll facilities.

4. Maryland State Lottery, which operates the State Lottery.

5. Maryland Environmental Service, which constructs, maintains and operates water supply and liquid and solid waste disposal facilities.

6. State Use Industries, which utilizes inmate labor from State correctional institutions to manufacture goods, wares and merchandise to be sold to State agencies, political subdivisions and charitable, civic, educational, fraternal or religious associations or institutions.

7. Maryland Higher Education Loan Corporation, which assists resident students in meeting costs of attending approved institutions by guaranteeing loans made by commercial lenders.

FIDUCIARY FUND TYPES

Transactions related to assets held by the State in a trustee or agency capacity are accounted for in fiduciary fund types. Fiduciary fund types are comprised of:

1. Expendable Trust Funds:

   a. Deferred Compensation Plan:

      This fund accounts for the amounts withheld from employees and invested in the plan as the employee has directed. Assets of this fund aggregating $157,896,000 are available to the general creditors of the State.

   b. Employment Security Administration:

      This fund accounts for the unemployment taxes collected from employers, federal revenue received and remittance of benefits to the unemployed.

2. The nonexpendable trust fund reflects the transactions, assets, liabilities and fund equity of the State Accident Fund. The fund was established to provide workers' compensation insurance for participating employers in the State, including the State of Maryland.

3. The pension trust fund reflects the transactions, assets, liabilities and fund equities of the State administered retirement and pension systems.

4. Agency funds account for the receipt and disbursement of various taxes and federal grant proceeds collected by the State for distribution to the Federal government, political subdivisions and patient and prisoner accounts.

ACCOUNT GROUPS

General Fixed Assets Account Group:

General fixed assets acquired or constructed for use by the State in the conduct of its activities, other than activities accounted for in the proprietary fund type, the nonexpendable trust fund and higher education and university hospital fund, are reflected in the general fixed assets account group at the time of acquisition. As of June 30, 1980, the State established and recorded in the general fixed assets account group the estimated cost of general fixed assets based on available historical cost records. Activity subsequent to June 30, 1980, is recorded at cost. Donated fixed assets are recorded at their fair market value at the time donated. Infrastructure assets, consisting principally of highways, roads and bridges are not recorded in the general fixed assets account group.

General Long-Term Debt Account Group:

Unmatured long-term general obligation and transportation bonds payable, accrued annual leave and accrued retirement costs related to general governmental activities are reflected in the general long-term debt account group.

HIGHER EDUCATION AND UNIVERSITY HOSPITAL FUND

Transactions related to the financial activities of State higher education institutions and the University of Maryland Hospital are accounted for in the higher education and university hospital fund. The financial statements of this fund have been prepared in accordance with the American Institute of Certified Public Accountants' "Industry Audit Guide—Audits of Colleges and Universities" and, accordingly, are presented in a separate column in the combined balance sheet.

2. Summary of Significant Accounting Policies:

A. *All Funds:*

Cash and Short-Term Investments:

Substantially all cash and short-term investments are maintained by the State Treasurer on a pooled basis. The general fund has disbursed funds in excess of its equity in cash and short-term investments.

Grants:

Federal reimbursement type grants are recorded as revenues when the related expenditures, or expenses, are incurred.

Retirement Costs:

Substantially all State employees participate in one of seven State retirement systems (see Note 14). The State also provides retirement benefits to teachers and certain other employees of its political subdivisions. Retirement expenditures for governmental fund types represent amounts contributed by the State for the fiscal year. The excess amounts of actuarially determined funding requirements over the amounts recorded as expenditures are carried in the general long-term debt account group. For the proprietary fund type and higher education and university hospital fund, retirement costs have been provided on the accrual basis predicated on actuarial valuations. The excess of retirement costs provided over amounts funded is carried as a liability in the respective funds.

Employee Benefit Costs:

Substantially all expenditures for pension, health and Federal Social Security benefits of governmental fund types, including approximately $334,000,000 of expenditures applicable to teachers and other employees of political subdivisions, are reported as personnel and retirement expenditures in the general fund. Material benefit costs applicable to the proprietary fund type and higher education and university hospital fund are reflected as expenses in the appropriate funds.

Principally all full-time employees accrue annual leave based on the number of years employed up to a maximum of 25 days per calendar year. Earned annual leave may be accumulated up to a maximum of 35 days as of the end of each calendar year. As of June 30, 1984, accumulated earned but unused annual leave for general government employees is accounted for in the general long-term debt account group. Liabilities for accumulated earned but unused annual leave applicable to proprietary fund type and higher education and university hospital fund are reported in the respective funds.

Interfund Receivables and Payables:

Interfund receivables and payables consist of the following at June 30, 1984 (amounts expressed in thousands):

General fund:	
Due from:	
Special revenue fund	$ 2,910
Agency fund - Social Security	3,847
	$ 6,757
Due to:	
Agency funds—	
Social Security	$ 16,611
Local income taxes	146,826
	$163,437
Special Revenue fund:	
Due to:	
General fund	$ 2,910
Enterprise fund - Maryland Transportation Authority	1,005
	$ 3,915

Total Memorandum Only:

The "Total Memorandum Only" column represents an aggregation of the individual combined financial statements and does not represent consolidated financial information.

B. *Governmental Fund Types, Expendable Trust and Agency Funds:*

Basis of Accounting:

The accounts of the general, special revenue, debt service, capital projects, expendable trust and agency funds are maintained and reported using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are susceptible to accrual and recognized in the financial statements when they are measurable and available to finance operations during the year or liquidate liabilities existing at the end of the year. Material revenues susceptible to accrual include federal grants, income, sales and motor vehicle fuel and excise taxes. Expenditures are recognized when obligations are incurred as a result of receipt of goods and services. Modifications to the accrual basis of accounting include:

- Interest on long-term obligations reflected in the general long-term debt account group is recognized in the debt service funds when it becomes payable.
- Inventories of materials and supplies are recorded as expenditures when purchased. Such inventories are not material.
- Obligations for retirement costs and employees' vested annual leave and sick leave are recorded as expenditures when paid.
- Encumbrances represented by executed and unperformed purchase orders and contracts, which are approved by the Department of Budget and Fiscal Planning, are recorded as reservations of fund balance as of the end of the fiscal year.

Investments:

Investments are stated at cost, adjusted for amortization of premiums and accretion of discounts, plus accrued income. Short-term investments aggregating $449,420,000 (which approximates market value) at June 30, 1984, consisting principally of U.S. Government Securities purchased with agreements to resell, are reported as cash and short-term investments in governmental fund types.

Intergovernmental Expenditures:

Expenditures of general and special revenue fund revenues designated for payment to political subdivisions and bond proceeds granted to political subdivisions and other public organizations are recorded as intergovernmental expenditures. Direct grants and other payments to, or on behalf of, political subdivisions are recorded as current expenditures.

Capital Outlays:

Principally all capital expenditures for the acquisition or construction of State general fixed assets are reported as capital outlays in the capital projects fund.

Reserved and Designated General Fund Balances:

Loans receivable maturing after June 30, 1985, in the amount of $2,220,000 are deemed to be not available for current operations; accordingly, the amount has been reflected as a reservation of general fund balance.

A portion of the general fund balance, in the amount of $62,572,000 at June 30, 1984, representing special budgetary and nonbudgeted agency resources, was designated for agency activities and programs.

Expendable Trust Fund Balances:

Fund balances of expendable trust funds are restricted to the purpose of the fund.

C. *Enterprise Funds and Nonexpendable and Pension Trust Funds:*

Basis of Accounting:

The accounts of the enterprise funds, nonexpendable trust fund and pension trust fund are maintained and reported using the accrual basis of accounting.

Investments:

Investments of enterprise funds and the pension trust fund are stated at cost, adjusted for amortization of premiums and accretion of discounts, plus accrued income. Short-term investments aggregating approximately $309,000,000 (which approximates market) at June 30, 1984, consisting principally of U.S. Government Securities purchased with agreements to resell, are reported as cash and short-term investments in the enterprise funds.

Short-term investments of the State Accident Fund are stated at cost, adjusted for amortization of premiums and accretion of discounts, plus accrued income. Short-term investments aggregating $33,182,000 (which approximates market) at June 30, 1984, consisting of U.S. Treasury Bills and commercial paper, are reported as cash and short-term investments. Other investments of the State Accident Fund, which are held for trading purposes and are not intended to be held until maturity, are stated at their market value of $129,064,000 (cost—$135,019,000). Realized gains and losses from the sale of other investments are credited or charged to income. Changes in unrealized market appreciation or depreciation are credited or charged to fund equity. Unrealized market appreciation or depreciation on other investments is reflected as a reservation of fund equity.

Property, Plant and Equipment:

Significant property, plant and equipment of enterprise funds are stated at cost.

The cost of property, plant and equipment used in the administration of Economic Development activities is charged to operations in the period acquired. Such amounts are not material.

Depreciation of the cost of property, plant and equipment of the Maryland Food Center Authority, Maryland State Lottery, State Use Industries, Maryland Higher Education Loan Corporation and the nonexpendable trust fund is provided on the straight-line basis over estimated useful lives of 25 to 50 years for depreciable real property, 5 to 10 years for building improvements and 3 to 10 years for equipment. Repairs and maintenance are charged to operations in the period incurred. Replacements, additions and betterments are capitalized.

In accordance with retirement-replacement-betterment accounting principles, the cost of toll facilities is not depreciated. Repairs, maintenance and replacements are charged to operations in the period incurred. Additions and betterments are capitalized.

The cost of property, plant and contributed equipment of the Maryland Environmental Service is not depreciated and such amount is not material in relation to the combined enterprise funds. Depreciation of the cost of purchased equipment is provided on the straight-line basis over an estimated useful life of three years. Repairs and maintenance are charged to operations in the period incurred. Replacements, additions and betterments are capitalized.

Lottery Revenues and Prizes:

Revenues and prizes of the Maryland State Lottery are generally recognized as drawings are held. Certain prizes are payable in deferred installments. Such liabilities are recorded at the present value of amounts payable in the future.

Provisions for Insurance and Loan Losses:

Current provisions are made for estimated losses resulting from insurance of loans and uncollectible loans. Loss provisions are based on the current status of insured and direct loans, including delinquencies, economic conditions, loss experience, estimated value of collateral and other factors which may affect their realization.

Workers' compensation claims are recognized as expenses in the period incurred. Annually, the consulting actuary for the State Accident Fund estimates the liability for injuries incurred but not reported, the future liability on claims before the commission, and permanent awards. These liabilities are reported as accrued insurance losses.

Inventories:

Inventories of the Maryland Transportation Authority, State Use Industries and the nonexpendable trust fund are stated at the lower of cost, using the first-in, first-out method, or market.

Enterprise Funds Reserved Retained Earnings:

Retained earnings of the Maryland Transportation Authority in the amount of $149,834,000 are reserved for the payment of debt service related to the revenue bonds, major project maintenance requirements and improvements, betterments, enlargements, or capital additions.

Retained earnings of the Maryland State Lottery in the amount of $3,333,000 are reserved for the payment of unclaimed prizes.

Nonexpendable and Pension Trust Fund Balances:

Fund balances of nonexpendable and pension trust funds are restricted to the purpose of the fund and are reported as fund balance reserves.

D. *Higher Education and University Hospital Fund:*

Basis of Accounting:

The accounts of the higher education institutions and the University of Maryland Hospital are maintained and reported on the accrual basis of accounting.

Fund Accounting:

The financial activities of the higher education institutions and the University of Maryland Hospital are recorded in funds which classify the various transactions by specified activities or objectives. Fund balances of such funds are reported as reserved for higher education programs and higher education general endowment and similar funds.

Unrestricted revenue is accounted for in the current unrestricted fund. Restricted gifts, grants, endowment income and other restricted resources are accounted for in the current restricted fund, loan funds, endowment and similar funds and plant funds. Revenue and expenses are reported in the current restricted fund when financial resources are used for the current operating purposes for which they have been provided. Transactions related to the various student loan programs operated by the educational institutions are accounted for in loan funds. Resources dedicated to the acquisition and investment in property, plant and equipment are accounted for in the plant funds. To the extent current funds are used to finance plant assets, the amounts so provided are accounted for as (1) expenses, in the case of normal replacement of movable equipment and library books; (2) mandatory transfers, in the case of required provisions for debt repayment and interest and equipment renewals and replacements; and (3) transfers of a nonmandatory nature in all other cases.

General endowment funds are subject to the restrictions of gift instruments requiring the principal be invested in perpetuity and only the income be utilized. Term endowment funds are similar to general endowment funds except, upon the passage of a stated period of time or the occurrence of a particular event, all or part of the principal may be expended. Quasi-endowment funds have been established for the same purposes as general endowment funds, except any portion of quasi-endowment funds may be expended. The balances of the fund groups which comprise the endowment and similar funds are general endowment $15,279,000, term endowments $34,000, quasi-endowments $3,742,000, and unallocated gain on sale of investments $7,043,000.

Investments:

Investments of the higher education institutions are stated at cost, adjusted for amortization of premiums and accretion of discounts, plus accrued income.

Student and Patient Revenues:

Student tuition and fees, net of allowances for bad debts, are fully recognized as revenues in the fiscal year in which the related courses or activities are principally conducted. Student tuition and fees applicable to future courses and activities and collected as of the end of the fiscal year are recorded as deferred revenue.

Patient revenues are recognized at the time of service, net of allowances applicable to third-party payers, charity and bad debts in the amount of $27,285,000.

Accounts and Notes Receivable:

An allowance for doubtful receivables is provided for estimated losses expected to be incurred in collection. The estimated losses are based on historical collection experience and a review of the status of existing receivables.

Inventories:

Inventories are stated at the lower of cost, using the first-in, first-out method, or market.

Plant:

Property, plant and equipment are stated principally at cost at date of acquisition or fair value at date of donation in the case of gifts. Consistent with generally accepted accounting principles for colleges and universities, depreciation is not provided for the cost of plant assets, except for those of the hospital. Depreciation of the cost of the hospital's plant for 1984, in the amount of $4,075,000, is computed on the straight-line method over the estimated useful lives of the assets.

Operating Transfers from State's General Fund:

A substantial portion of the higher education and university hospital fund's current unrestricted expenses, including current payments for retirement costs and fringe benefits, are funded through appropriations from the general fund at the time the expenses are encumbered or paid. The current year funding exceeded the retirement expense by $1,361,000; this excess reduced the liability for retirement costs recorded in the higher education and university hospital fund. Accrued retirement costs are expected to be funded principally through future state appropriations.

Included in current unrestricted fund expenses and operating transfers from the State's general fund is $85,554,000, which represents the amount of pension and fringe benefits costs paid during the 1984 fiscal year by the Department of Personnel on behalf of the higher education and university hospital fund.

3. Budgeting and Budgetary Control:

The Maryland Constitution requires the Governor to submit to the General Assembly an annual balanced budget for the following fiscal year. This budget is prepared and adopted for the following three Budgetary Funds:

General Fund:

The General Fund is the fund in which all general transactions of the State are recorded, unless otherwise directed to be included in another fund. Effective July 1, 1983, the reserve for loans to other funds was recognized as part of the budgetary general fund. The beginning fund balance has been restated to reflect this change.

Special Fund:

The Special Fund includes all of the transportation activities of the State (except for the Maryland Transportation Authority), dedicated funds such as university and college students' fees, fishery and wildlife funds, shared taxes and payments of debt service on general obligation bonds.

Federal Fund:

The Federal Fund is the fund in which principally all grants from the Federal government are recorded.

In addition to the annual budget the General Assembly adopts authorizations for the issuance of general obligation bonds and the expenditures of the funds obtained thereby are accounted for in the capital projects fund. Because capital projects fund authorizations are not part of the annual budget, capital projects fund activities are not presented in the Combined Statement of Revenues, Expenditures and Encumbrances, Other Sources and Uses of Financial Resources and Changes in Fund Balances—Budget and Actual—Budgetary General, Special and Federal Funds.

All State budgetary expenditures for the general, special and federal funds are made pursuant to the appropriations in the annual budget, as amended from time to time by budget amendments. State governmental units may, with the Governor's approval, amend the appropriations by major function within the general fund, provided they do not exceed their total general fund appropriations as contained in the annual budget, which is the legal level of control. Increases in general fund appropriations must be approved by the General Assembly. For the fiscal year ended June 30, 1984, the General Assembly approved increases in General Fund appropriations aggregating $13,458,000. Appropriations for programs funded in whole or in part from the special or federal funds may permit expenditures in excess of original special or federal fund appropriations to the extent that revenues from the particular special or federal fund sources exceed original budget estimates and such additional expenditures are approved by the Governor or, in the case of the University of Maryland, the Board of Public Works. Unexpended appropriations from the general fund may be carried over to succeeding years to the extent encumbrances are approved by the Department of Budget and Fiscal Planning; all other appropriations lapse as of June 30, 1984. Unexpended appropriations from special and federal funds may be carried over to the extent of (a) available resources, and (b) encumbrances approved by the Department of Budget and Fiscal Planning.

The amended budget adopted by the General Assembly for the general, special and federal funds is presented in the Combined Statement of Revenues, Expenditures and Encumbrances, Other Sources and Uses of Financial Resources and Changes in Fund Balances—Budget and Actual—Budgetary General, Special and Federal Funds. The State's budgetary fund structure and the basis of accounting used for budgetary purposes, which is the modified accrual basis with certain exceptions, differs from that utilized to present financial statements in conformity with generally accepted accounting principles. A summarization of the effect of the fund structure differences and exceptions to the modified accrual basis of accounting (amounts expressed in thousands) as of June 30, 1984, follows:

	Total Budgetary Fund Equities and Other Accounts	Financial Statement Funds						
		General	Special Revenue	Debt Service	Capital Projects	Enterprise	Trust and Agency	Higher Education and University Hospital
Classification of budgetary fund equities and other accounts into GAAP fund structure:								
General	$ 41,265	$ 41,265						
Special revenue	398,631	53,880	$166,435	$130,771	$ 9,574	$ 24,656	$ 14	$ 13,301
Capital projects	158,038				96,015	62,023		
Other accounts (a):								
Non-budgeted	50,720	24,673	2,570		1,080	3		22,394
Expendable trust	408,605						408,605	
Debt service-transportation bonds	420,786			420,786				
Enterprise	1,008,599					1,008,599		
Non-expendable trust	37,132						37,132	
Pension trust	3,792,035						3,792,035	
Higher education	1,098,870							1,098,870
Budgetary fund equities and other accounts classified into GAAP fund structure	$7,414,681	119,818	169,005	551,557	106,669	1,095,281	4,237,786	1,134,565
Accounting principle differences:								
Assets recognized in the GAAP financial statements not recognized for budgetary purposes:								
Intergovernmental receivables		8,983						
Liabilities recognized in GAAP financial statements not recognized for budgetary purposes:								
Accounts payable and accrued liabilities		(45,364)						
Deferred income tax revenue		13,698						
Local income taxes payable to local income taxes agency fund		(146,826)						
Payroll taxes payable to social security agency fund		(15,077)						
GAAP financial statement fund equities, June 30, 1984		$ (64,768)	$169,005	$551,557	$106,669	$1,095,281	$4,237,786	$1,134,565

(a) The State's accounting system is maintained by the Comptroller in compliance with State Law and in accordance with the State's Budgetary Funds. In addition to the accounting systems maintained by the Comptroller, certain individual agencies which are not subject to the State budget maintain accounting systems which permit financial reporting on the basis of generally accepted accounting principles. The change in net assets of agencies whose accounting systems are not entirely maintained by the Comptroller are recorded in the State's accounting system as of June 30 each year.

4. Investments:

Investments (amounts expressed in thousands) as of June 30, 1984, consisted of:

	Funds					
	General	Special Revenue	Debt Service	Enterprise	Fiduciary Fund Types	Higher Education and University Hospital
U.S. Treasury and Agency obligations	$56,189	$78,447	$418,291	$190,820	$ 27,176	$23,313
Certificates of deposit	2,242			22		60
Commercial paper					365,250	3,648
Corporate debt securities					1,542,718	2,690
Corporate equity securities					1,865,506	13,559
Annuity contracts				23,067	150,326	
Other					161,557	1,707
Total	$58,431(a)	$78,447(a)	$418,291(b)	$213,909(c)	$4,112,533(d)	$44,977(a)

(a) Market value approximates cost.

(b) The Department of Transportation (Department), on behalf of the Consolidated Transportation Refunding Bond Sinking Fund and the County Transportation Refunding Bond Sinking Fund, has entered into federal securities purchase agreements with banks, thereby reducing the market risk to the Department. Under these agreements the Department is required to invest a total of $246,000,000 of Sinking Fund deposits over the first five and one-half years of the Bond issues. The invested funds are used to purchase federal securities from the banks at predetermined yields and ranges of maturities. Investment maturities are scheduled in accordance with bond redemption provisions and the Department anticipates that all investments will be held until maturity. As of June 30, 1984, investment cost exceeded market value by approximately $102,000,000; however, no decline in investment market value has been recognized in the financial statements since the Department intends to hold the investments until maturity.

(c) Market value approximates $190,353,000.

(d) Market value approximates $4,498,691,000.

5. Taxes Receivable:

Taxes receivable (amounts expressed in thousands), as of June 30, 1984, consisted of the following:

	Funds			
	General	Special Revenue	Debt Service	Trust and Agency
Income taxes, current employee withholdings held by employers	$183,029			
Retail sales and use taxes, current taxes held by collectors	93,147			
Transportation taxes, principally motor vehicle, fuel and excise		$31,643		
Unemployment compensation taxes				$87,518
Other taxes, principally alcohol, tobacco and property	3,172		$8,362	
	279,348	31,643	8,362	87,518
Less allowance for doubtful accounts	648			
Taxes receivable, net	$278,700	$31,643	$8,362	$87,518

6. Loans and Notes Receivable:

Loans and notes receivable (amounts expressed in thousands), as of June 30, 1984, consisted of the following:

	Funds				
	General	Debt Service	Capital Projects	Enterprise	Higher Education and University Hospital
Notes receivable for advances of general obligation bond proceeds:					
Political subdivisions:					
Public school construction		$26,920			
Other		17,710			
Hospitals and nursing homes		37,938			
Construction mortgage loans				$ 7,951	
Permanent mortgage loans				648,772	
National direct student loans					$23,989
Health profession loans					7,681
Shore erosion loans			$8,996		
Other	$ 220	811		151	409
	220	83,379	8,996	656,874	32,079
Less allowance for possible loan losses		105			7,313
Loans and notes receivable, net	$ 220	$83,274	$8,996	$656,874	$24,766

Notes receivable for advances of general obligation bond proceeds bear interest at rates ranging from 3% to 11.1% and mature over the next 30 years. Notes receivable maturing after 1999 in the amount of $24,068,000 are deemed to be not available for debt service because all related general obligation bonds are scheduled to be retired by that date. Accordingly, the amount has been reflected as a reservation of debt service fund balance. Such amounts will become available to fund debt service when the due date of the outstanding amounts becomes equal to or less than the maturity dates of general long-term debt.

Construction mortgage loans receivable are subject to commitments from other lenders to purchase the loans upon completion of construction. Proceeds from payments of principal and interest on the construction and permanent mortgage loans are pledged to meet the debt service requirements of the mortgage revenue bonds (see Note 11).

National direct student loans and health profession loans are made pursuant to student loan programs funded through the U.S. Government.

7. Property, Plant and Equipment:

Property, plant and equipment (amounts expressed in thousands) consisted of the following as of June 30, 1984:

Enterprise Funds:

	Depreciable Assets	Non-depreciable Assets
Land and improvements (includes land being held for sale of $ 1,572)		$ 8,161
Structures and improvements	$13,184	737,802
Equipment	15,933	514
Construction in progress		5,521
Less accumulated depreciation	6,107	
Total	$23,010	$751,998

Nonexpendable Trust Fund:

Land	$ 48
Equipment, net of accumulated depreciation of $183	1,092
Total	$ 1,140

General Fixed Assets:

General fixed assets activity by asset classification for the year ended June 30, 1984, was as follows (amounts expressed in thousands):

Classification	Balance July 1, 1983	Additions	Deletions	Transfers in (out)	Balance June 30, 1984
Land and improvements	$ 340,867	$ 25,133	$ 4,091	$ 20,443	$ 382,352
Structures and improvements	962,826	71,015	6,445	705,440	1,732,836
Equipment	304,392	52,805	22,256	89,205	424,146
Construction in progress	876,512	169,711		(815,088)	231,135
Total	$2,484,597	$318,664	$32,792	$ -0-	$2,770,469

Higher Education and University Hospital Fund:

Land	$ 49,974
Buildings and improvements	721,208
Contents	319,850
Construction in progress	18,896
Hospital building and contents, net of accumulated depreciation of $38,278	51,370
Total	$1,161,298

8. General Obligation Bonds:

General obligation bonds are authorized and issued primarily to provide funds for state owned capital improvements, including facilities for institutions of higher learning, and the construction of public schools in political subdivisions. Bonds have also been issued for local government improvements, including grants and loans for water quality improvement projects and correctional facilities, and to provide funds for repayable loans or outright grants to private, not-for-profit cultural or educational institutions. Under constitutional requirements and practice, the Maryland General Assembly, by a separate enabling act, authorizes a loan for a particular object or purpose. Thereafter the Board of Public Works, a constitutional body composed of the Governor, the Comptroller of the Treasury and the State Treasurer, by resolution authorizes the issuance of bonds in a specified amount for part or all of the loan authorized by a particular enabling act.

General obligation bonds, which are paid from the General Obligation Debt Service Fund, are backed by the full faith and credit of the State and, pursuant to the State Constitution, they must be fully paid within 15 years from the date of issue. Property taxes, debt service fund loan repayments and general fund appropriations provide the resources for repayment of general obligation bonds.

General obligation bonds outstanding and bonds authorized but unissued (amounts expressed in thousands) as of June 30, 1984, were as follows:

Purpose	Outstanding		Authorized But Unissued
	Interest Rates	Amount	Amount
General construction	4.00% to 11.30%	$ 789,690	$314,346
Public school construction	4.00 to 11.30	993,410	62,500
Water quality	4.25 to 11.00	126,360	112,02[a]
Sanitary facilities and sewage treatment	4.00 to 11.00	15,405	7,805
Hospitals and nursing homes	4.00 to 11.30	7,825	200
Community colleges and vocational schools	4.00 to 11.00	43,455	5,000
Airport development	4.00 to 4.90	13,690	
Housing loans	4.25 to 11.30	74,550	6,303
Maryland Port Authority loans	4.00 to 6.20	6,810	
Jails and correctional institutions	4.20 to 11.30	47,130	34,115
Private colleges	4.00 to 11.30	14,590	8,187
Social, cultural and historical	4.25 to 11.30	59,932	26,563
Other	4.00 to 11.30	121,468	73,237
		$2,314,315	$650,284

As of June 30, 1984, general obligation debt service requirements for principal and interest (amounts expressed in thousands) in future years were as follows:

Years Ending June 30,	Total	Years Ending June 30,	Total
1985	$374,035	1993	$154,780
1986	384,661	1994	132,209
1987	368,884	1995	119,732
1988	348,187	1996	106,585
1989	328,033	1997	91,432
1990	310,978	1998	66,634
1991	271,357	1999	15,029
1992	202,228		

On September 6, 1984, General Obligation Bonds aggregating $138,990,000 were issued. The interest rates on this issue range from 8.5% to 9.0% and the bonds mature serially through 1999.

9. Transportation Bonds:

Transportation bonds outstanding (amounts expressed in thousands) as of June 30, 1984, were as follows:

	Outstanding
Consolidated Transportaton Bonds—5.375% Refunding Series, due February 15, 1993	$354,865
County Transportation Bonds—5.5% Refunding Series, due May 15, 1993	155,725
Consolidated Transportation Bonds—5.9% to 9.0%, due serially 1985 through 1997	145,000
County Transportation Bonds—5.3% to 11.0%, due serially through 1998	120,895
	$776,485

Consolidated Transportation Bonds are limited obligations issued by the Department of Transportation for highway, port, airport or mass transit facilities or any combination of such facilities, the principal of which must be paid within 15 years from the date of issue. The outstanding aggregate principal amount of these bonds, plus outstanding Maryland Port Authority loans (see Note 8) may not by law exceed $950,000,000. At June 30, 1984, the principal amount of additional bonds which may be issued under this limitation was $443,325,000.

Consolidated Transportation Bonds are paid from the transportation debt service fund except for Bond Anticipation Notes (none outstanding at June 30, 1984) which are paid from the proceeds of Consolidated Transporation Bonds which are deposited in the special revenue fund. Principal of and interest on Consolidated Transportation Bonds are payable from the proceeds of certain excise taxes levied by statute and the corporate income tax credited to the Department less amounts required for debt service on Maryland Port Authority Loans. These amounts are applicable to the extent necessary for that exclusive purpose before being available for other uses by the Department. If those tax proceeds become insufficient to meet debt service requirements, other receipts of the Department are available for that purpose. The holders of such bonds are not entitled to look to other State resources for payment.

Under the terms of authorizing bond resolutions, additional Consolidated Transportation Bonds may be issued, provided, among other conditions, that (i) total receipts (excluding federal funds for capital projects, bond and note proceeds, income received from a sinking fund separately dedicated to the Refunding Bonds, and other receipts not available for debt service), less administration, operation and maintenance expenses, for the preceding fiscal year equal at least two times maximum annual debt service on all Consolidated Transportation Bonds outstanding and to be issued and any then outstanding Maryland Port Authority loans and that (ii) total proceeds from pledged taxes equal at least two times maximum annual debt service on all Consolidated Transportation Bonds outstanding and to be issued and any then outstanding Maryland Port Authority loans.

County Transportation Bonds are issued by the Department and the proceeds are used by participating counties and Baltimore City to fund local road construction, reconstruction and other transportation projects and facilities and to provide local participating funds for federally aided highway projects. Debt service on these bonds is payable from the counties' and Baltimore City's shares of highway user revenues.

As of June 30, 1984, Transportation bond debt service requirements for sinking fund deposits and principal and interest payments (amounts expressed in thousands) in future years were as follows:

Years ending June 30,	Consolidated Transportation Bonds	County Transportation Bonds	Total Transportation Bond Debt Service Requirements
1985	$56,873	$31,237	$88,110
1986	57,307	30,631	87,938
1987	25,754	20,991	46,745
1988	25,595	15,593	41,188
1989	22,390	15,649	38,039
1990	20,299	15,729	36,028
1991	19,264	15,770	35,034
1992	18,214	15,820	34,034
1993	17,173	15,815	32,988
1994	10,105	15,372	25,477
1995	3,490	15,412	18,902
1996	4,280	8,271	12,551
1997		7,450	7,450
1998		2,707	2,707

On February 15 and May 25, 1978 the Department of Transportation issued Consolidated Transportation Bonds, Refunding Series 1978 and County Transportation Bonds—First Issue Refunding Series 1978, respectively. The net proceeds of these issues, after underwriters' discounts and other financing expenses, in principal amounts aggregating $510,625,000 were used to purchase U.S. Government Securities sufficient to fully provide for the timely payment of $500,585,000 Consolidated Transportation Bonds, State Highway Construction and County Transportation Bonds. The U.S. Government Securities purchased to retire the Consolidated Transportation Bonds and State Highway Construction Bonds were deposited with the State Treasurer and were previously accounted for in the refunded transportation debt expendable trust fund. As a result of these transactions, the refunded bonds are deemed to be retired and, accordingly, are no longer reported as long-term debt in the financial statements and the refunded transportation debt expendable trust fund is no longer included in the accompanying financial statements. At June 30, 1984, the refunded bonds outstanding were $283,390,000.

10. Changes in General Long-Term Debt:

Changes in general long-term debt (amounts expressed in thousands) for the year ended June 30, 1984, are summarized as follows:

	General Obligation Bonds	Trans-portation Bonds	Accrued Retirement Costs	Accrued Annual Leave
Balance, July 1, 1983	$2,409,890	$757,200	$567,168	$59,720
Bond issuances	116,700	29,770		
Bond principal retirements	(212,275)	(10,485)		
Excess of actuarially determined retirement costs over the amounts recorded as expenditures in governmental fund types			10,121	
Amortization of prior years' liability for unfunded retirement costs			(15,329)	
Net increase in accrued annual leave				969
Balance, June 30, 1984	$2,314,315	$776,485	$561,960	$60,689

11. Revenue Bonds, Notes Payable, Loans From Other Funds and Obligations Under Capital Leases:

A. *Special Revenue Fund:*

Loans from Other Funds:

During 1983, the Department of Transportation entered into an agreement with the Maryland Transportation Authority (Authority) whereby the Department could borrow up to $20,000,000 from the Authority. Repayment will be made upon demand with 12 months notice but not earlier than January 1, 1985. Interest is payable semiannually at a rate equal to the average interest rate on all other investments of the Authority's funds. There were no outstanding borrowings as of June 30, 1984 under this agreement.

B. *Enterprise Funds:*

Community Development Administration (Administration):

Revenue Bonds:

The Community Development Administration, an agency of the Department of Economic and Community Development, has issued revenue bonds, the proceeds of which were used to provide funds for its various mortgage loan programs. Assets aggregating approximately $905,355,000 and revenues of each mortgage loan program are pledged as collateral for the respective revenue bonds and notes payable (see below). Interest rates range from 4.90% to 14% and the bonds mature serially through May 15, 2025. Maturities of principal (amounts expressed in thousands) are as follows:

Years ending June 30,	Amount
1985	$ 13,850
1986	15,100
1987	15,985
1988	16,285
1989	16,685
1990 and thereafter	752,068
	$829,973

Substantially all bonds are subject to redemption provisions at the option of the Administration. Redemptions are permitted at rates ranging from 103% to 100% of outstanding principal amount at dates between 1985 and 2025.

In July and August of 1984, the Administration issued $53,070,000 and $83,550,000 respectively, of revenue bonds.

Notes Payable:

The aggregate amount of notes payable (amounts expressed in thousands) at June 30, 1984, consisted of:

1982 Series A Construction Loan Notes with interest of 9.40% due February 1, 1985	$17,985
1982 Series A Multi-Family Construction Loan Notes (FHA - Insured Advances - GNMA Tamden Program) with interest of 9.50% due October 1, 1984	30,300
1983 Series A Multi-Family Construction Loan Notes with interest of 6.50% due December 15, 1985	8,964
Bond Anticipation Notes under a $20,000,000 revolving credit facility. Borrowing under the agreement is at 70% of the principal bank's prime rate, but is not to exceed 14%	5,676
	$62,925

Maryland Food Center Authority:

Loans from Other Funds:

The Board of Public Works loaned to the Authority $4,000,000 which was obtained from the issuance of general obligation bonds of the State. The Authority is obligated to pay interest and principal on these bonds after all principal and interest has been repaid on any revenue bonds which may be issued by the Authority.

On May 2, 1969, the State issued bonds to provide $5,000,000 for a construction loan to the Authority. Repayment to the Board of Public Works will consist of principal and interest payments which began in 1984 and will conclude in 1996.

Total principal and interest (expressed in thousands) due to the State are summarized as follows:

Greater Baltimore Regional Consolidated Wholesale Food Market Loan of 1967	$ 5,577
General Construction Loan	5,000
Debt assumed from New Marsh Wholesale Produce Market	795
	$11,372

Maryland Transportation Authority:

Revenue Bonds:

The Maryland Transportation Authority has issued Transportation Facilities Projects Revenue Bonds, First Series (Refunding), which are payable solely from the revenues of the transportation facilities projects. Bonds outstanding (amounts expressed in thousands) as of June 30, 1984, consisted of:

Serial bonds maturing in annual installments from $1,105 to $2,415 from July 1, 1984, through July 1, 1997 with interest rates ranging from 5.4% to 6.20%, payable semiannually	$21,880
Term bonds with interest at 6.625%, payable semi-annually, due July 1, 2003	18,550
Term bonds with interest at 6.80%, payable semi-annually, due July 1, 2016	76,170
	$116,600

Maturities of principal (amounts expressed in thousands) are as follows:

Years ending June 30,	Amount
1985	$ 1,105
1986	1,180
1987	1,260
1988	1,345
1989	1,435
1990 and thereafter	110,275
	$116,600

The serial bonds are subject to redemption at par, in whole or in part, at the option of the Authority on any July 1 after June 30, 1983, by operation of the Sinking Fund; or at redemption prices ranging from 102% to 100% of the principal amount on any date or dates after July 2, 1987, from any monies made available for such purpose. The term bonds are subject to redemption by operation of the Sinking Fund in the years 1998 through 2015 at annual principal amounts ranging from $2,615,000 to $8,400,000.

In compliance with the Trust Agreement underlying the Transportation Facilities Projects Revenue Bonds, First Series (Refunding), the Authority has established restricted equity accounts in the aggregate amount of $149,834,000 for certain operating expenses, payment of the bonds and interest and acquisition, construction and improvements to transportation facilities projects. Assets consisting of cash and short-term investments, $20,804,000; investments, $132,456,000; accounts receivable due from general fund, $1,756,000; and supplies inventories, $49,000; less current accounts payable, $5,230,000 have been restricted for such purposes.

Maryland Environmental Service (Service):

Revenue Bonds:

The Service has issued revenue bonds for the construction of certain projects. The bonds bear interest at rates ranging from 5% to 8.45% and are collateralized by the assets and revenues of the projects and any other revenues of the Service that are not otherwise pledged. All rights, title and interest in the related property, plant and equipment remains with the Service until expiration or completion of the project and repayment of the revenue bonds. Thereafter, title to the assets passes to the governmental unit served by the projects. Maturities of principal (amounts expressed in thousands) are as follows:

Years ending June 30,	Amount
1985	$1,635
1986	3,237
1987	39
1988	41
1989	43
1990 and thereafter	2,839
	$7,834

Loans From Other Funds:

In July of 1982 the General Obligation Debt Service fund loaned the Service $2,500,000. Repayment is due within 10 years at no interest.

State Use Industries:

Loans From Other Funds:

In July of 1982 the General fund loaned to the State Use Industries $2,000,000. The loan bears no interest and is repayable as operational earnings permit with no time limit.

C. *Higher Education and University Hospital Fund:*

Revenue Bonds:

Certain State Colleges have issued revenue bonds and mortgage loans payable and received proceeds from the construction loans payable for the acquisition and construction of student housing and other facilities. Student fees and other user revenues collateralize the revenue bonds, the mortgage loans payable are collateralized by real estate and the construction loans are collateralized by future hospital revenues and real estate. Interest rates range from 3% to 6% on the revenue bonds and 6% to 10% on the mortgage loans payable. Interest rates for construction loans are either 3% or, 70% of the bank's prime rate. Maturities of principal, excluding construction loans of $2,600,000 (amounts expressed in thousands) are as follows:

Years ending June 30,	Amount
1985	$ 617
1986	713
1987	747
1988	2,551
1989	2,597
1990 and thereafter	22,583
	$29,808

Obligations Under Capital Leases:

Obligations under capital leases of $36,083,000 exist as of June 30, 1984, bearing interest at annual rates ranging from 6.5% to 17.5%. The following is a schedule of annual future minimum payments under these obligations, along with the present value of the related net minimum payments as of June 30, 1984 (amounts expressed in thousands):

Years ending June 30,	Amount
1985	$ 6,035
1986	5,730
1987	5,274
1988	4,927
1989	4,492
1990 and thereafter	105,984
Total future minimum payments	132,442
Less amount representing interest	96,359
Present value of net minimum lease payments	$ 36,083

12. Commitments:

At June 30, 1984, the Department of Transportation and Maryland Transportation Authority had commitments of approximately $241,805,000 and $33,000,000, respectively, for construction of highway and mass transit facilities. Approximately 67% of future expenditures related to the Department of Transportation commitments are expected to be reimbursed from proceeds of approved federal grants when the actual costs are incurred. The remaining portion will be funded by other financial resources of the Department.

The Department of Transportation, as lessor, leases terminal space at various marine terminals, airport facilities and office space pursuant to various operating leases. Minimum future rentals (amounts expressed in thousands) are as follows:

Years ending June 30,	Noncancelable Operating Leases Minimum Future Rentals
1985	$10,408
1986	10,209
1987	9,808
1988	8,795
1989	7,663
1990-1994	13,978
1995-1999	5,550
2000 and thereafter	10,640
	$77,051

Total minimum future rentals do not include contingent rentals that may be received under certain concession leases on the basis of a percentage of the concessionaire's gross revenue in excess of stipulated minimums.

Rent revenue was approximately $45,567,000 for the year ended June 30, 1984, including contingent rentals of approximately $4,127,000. Assets of the Department of Transportation subject to such operating lease agreements are included in the general fixed assets account group. The cost of these assets was approximately $222,724,000 at June 30, 1984.

As of June 30, 1984, direct mortgage loan programs included in the enterprise funds had unfunded mortgage loan commitments aggregating approximately $163,276,000. These commitments are expected to be funded from existing program resources and proceeds from revenue bonds to be issued.

In August 1981, the Maryland Transportation Authority (Authority) entered into an agreement with the City of Baltimore to finance the non-Federal share (approximately $100,000,000) plus accrued interest on the Federal share, which is estimated to approximate $20,000,000, of costs associated with the construction of a tunnel across the Patapsco River. The agreement is contingent upon the ability of the Authority to obtain the requisite financing. The Authority expects to recover their debt service and other costs through future net toll revenues of the tunnel. Tunnel construction began in 1980 and is expected to be completed in 1985.

At June 30, 1984, the Maryland State Lottery had commitments of approximately $24,500,000 for services to be rendered relating principally to the operation of the lottery games.

At June 30, 1984, Maryland Environmental Service had commitments of approximately $5,000,000 for construction of projects.

The State is insured for workers' compensation losses by the State Accident Fund under a contract, which provides for the State to pay premiums based upon loss experience plus a proportionate share of administrative costs. In the event of termination of the contract, the State is obligated for any premium deficiency existing at the time of termination. As of June 30, 1984, anticipated workers' compensation claims in the amount of $38,700,000 applicable to State employees were accrued in nonexpendable trust fund. For the year ended June 30, 1984, the State paid the State Accident Fund approximately $10,445,000 in premiums.

13. Contingencies:

The State is party to legal proceedings, which normally recur in governmental operations. The legal proceedings are not, in the opinion of the Attorney General, likely to have a material, adverse impact on the financial position of the affected funds.

As of June 30, 1984, mortgage loan insurance programs included in the enterprise funds were contingently liable as insurer of mortgage loans payable, or portions of mortgage loans payable, in an aggregate amount of approximately $369,927,000 (including $261,380,000 for the economic development loan programs). In addition, there are commitments to insure mortgage loans which would represent additional contingent liabilities of approximately $72,050,000.

The Maryland Higher Education Loan Corporation (Corporation), as endorser of student loans, is contingently liable to lending institutions for the purchase of student loans in default. In the event of such default, the Corporation is liable to the lending institution for the unpaid principal amount of the loan plus unpaid interest, including interest accrued from the date of default until the date of purchase by the Corporation. At June 30, 1984, the Corporation had endorsed loans of approximately $479,000,000. These loans are covered by a federal reinsurance agreement with the U.S. Department of Education. The agreement provides for the U.S. Department of Education to repurchase defaulted loans purchased by the Corporation at a rate based on past default performance. Since entering into the reinsurance agreement, the Corporation has qualified for 100% reinsurance, except 1982 (90%), 1983 (80%) and 1984 (80%). Management expects the 80 or 90 percent rates to continue through 1985.

The State receives significant financial assistance from the U.S. Government. Entitlement to the resources is generally conditioned upon compliance with terms and conditions of the grant agreements and applicable Federal regulations, including the expenditure of the resources for eligible purposes. Substantially all grants are subject to financial and compliance audits by the grantors. Any disallowances as a result of these audits become a liability of the fund which receives the grant. As of June 30, 1984, the State estimates that no material liabilities will result from such audits.

14. Retirement and Pension Systems:

As of June 30, 1984, the State of Maryland had employee retirement and pension programs as follows:

"Retirement Systems"—for employees, teachers and State police—retirement programs for substantially all State employees, teachers and State police who are not members of the State Pension Systems.

"Pension Systems"—for employees and teachers—retirement programs for employees and teachers hired after January 1, 1980, and prior employees who have elected to transfer from the Retirement Systems.

"Judges' Pension System"—a retirement program for State judges.

"Mass Transit Administration Pension Plan"—a retirement program for certain employees of the Mass Transit Administration.

All Retirement and Pension Systems, other than the Mass Transit Administration Pension Plan, are jointly contributory. Employee contributions are established at fixed percentages of total employee compensation, except for the Pension Systems where employee contributions are established at fixed percentages of employee compensation in excess of the F.I.C.A. taxable wage base. The Mass Transit Administration Pension Plan is a pay-as-you-go plan and requires no employee contributions.

The consulting actuary for the retirement and pension systems, other than the Mass Transit Administration Pension Plan, prepared valuations as of June 30, 1983, using the unit credit actuarial cost method. Retirement costs for 1984 on this basis aggregated approximately $355,000,000 for governmental fund types and $62,000,000 for the higher education and university hospital fund, including amortization of unfunded liabilities over 40 years and interest thereon. Such amortization is being calculated using the straight-line method which began in fiscal year 1981.

The consulting actuary for the Mass Transit Administration Pension Plan prepared a valuation as of June 30, 1984, using the entry age normal cost method. Retirement costs for 1984 on this basis aggregated approximately $4,700,000 for governmental fund types, including amortization of unfunded liabilities over 30 years.

Retirement expenditures applicable to governmental fund types for the year ended June 30, 1984, aggregated approximately $370,000,000. The excess of retirement costs over retirement expenditures of approximately $10,121,000, is included in the general long-term debt account group.

Selected data (amounts expressed in thousands) compiled in accordance with Financial Accounting Standards Board Statement No. 35, with respect to each plan is as follows:

	State Contributions for the year ended June 30, 1984	Actuarial Present Value of Accumulated Plan Benefits as of June 30, 1983 (a)			Net Assets available for Plan Benefits (b)
		Vested	Nonvested	Total	
Employees' Retirement System	$ 96,699	$1,773,192	$ 33,082	$1,806,274	$1,125,060
Teachers' Retirement System	252,243	3,591,939	63,751	3,655,690	2,107,881
State Police Retirement System	14,257	136,931	13,597	150,528	134,322
Employees' Pension System	25,685	96,016	12,845	108,861	249,705
Teachers' Pension System	28,154	80,616	5,575	86,191	165,568
Judges' Pension System	6,790	59,462		59,462	8,279
Mass Transit Administration Pension Plan	2,962	(c)	(c)	(c)	(c)
Total	$426,790	$5,738,156	$128,850	$5,867,006	$3,790,815

(a) The following assumed rates of returns, as promulgated by the Pension Benefit Guaranty Corporation, were used in determining the actuarial present value of accumulated plan benefits:

for immediate annuities - 9¼%

for deferred annuities - 8½% for the first 7 years prior to benefit commencement, 7¼% for the next 8 years, 4% thereafter

(b) Net assets at actuarially determined market value as of June 30, 1983.

(c) The actuarial present value of accumulated plan benefits and the net assets available for plan benefits is not available for the Mass Transit Administration Pension Plan.

The actuarially computed value of the unfunded accrued liabilities (amounts expressed in thousands) for each plan is as follows:

	June 30, 1983
Employees' Retirement System	$1,493,603
Teachers' Retirement System	3,642,424
State Police Retirement System	122,805
Employees' Pension System	855
Teachers' Pension System	63,362
Judges' Pension System	67,421
Mass Transit Administration Pension Plan	43,221
Total	$5,433,691

The actuarially computed value of the unfunded accrued liabilities is greater than the unfunded actuarial present value of accumulated plan benefits principally because the method for determining the actuarial present value of accumulated plan benefits does not take into consideration anticipated future wage and salary increases and uses different interest rate assumptions.

For asset and investment management purposes, the State combined the assets of all State administered retirement and pension systems into a pooled trust fund. Accordingly, the financial statements for the State administered pension fund are presented on a combined basis in the fiduciary fund type financial statements. Individual retirement systems' equity in the pension fund balance (amounts expressed in thousands) as of June 30, 1984 is as follows:

	Fund Balance (a)	
	Employee Annuity Savings (b)	Retirement Accumulation Fund (c)
Employees' Retirement System	$308,782	$ 795,236
Teachers' Retirement System	634,390	1,439,595
State Police Retirement System	27,459	109,432
Employees' Pension System	4,716	269,909
Teachers' Pension System	4,950	192,529
Judges' Pension System	5,037	
Total	$985,334	$2,806,701

Changes in the pension fund balances (amounts expressed in thousands) for the year ended June 30, 1984, were as follows:

	Fund Balance (a)	
	Employee Annuity Savings (b)	Retirement Accumulation Fund (c)
Balance, July 1, 1983	$956,591	$2,472,826
Increases:		
Member contributions	89,495	
Employer contributions		448,436
Investment and other income		199,464
Decreases:		
Benefit payments		(338,913)
Refunds	(29,953)	
Administrative expenses		(5,911)
Transfers to the Employee Annuity Savings Fund for interest credited to members' accounts	38,101	(38,101)
Transfers to the Retirement Accumulation Fund for contributions of retiring members	(68,900)	68,900
Balance, June 30, 1984	$985,334	$2,806,701

(a) The consulting actuary annually determines the changes in fund balances resulting from tranfers of employees from the Employees' and Teachers' Retirement Systems to the Employees' and Teachers' Pension Systems and allocations of investment income. Such changes for the year ended June 30, 1984, will be determined as a result of an uncompleted actuarial valuation as of July 1, 1984, and, accordingly, the amounts of such changes will be included in the financial statements for the year ending June 30, 1985.

(b) Contributions made by members together with interest thereon are credited to the Employee Annuity Savings Fund.

(c) Contributions made by the employer and investment income thereon are credited to the Retirement Accumulation Fund.

15. Contributed Capital:

The changes in contributed capital of the enterprise funds (amounts expressed in thousands) for the year ended June 30, 1984, are as follows:

	Economic Development					
	Insurance Programs	Loan Programs	Maryland Transportation Authority	Maryland Environmental Service	State Use Industries	Total
Balance, July 1, 1983	$54,495	$ 96,173	$ 4,331	$30,449	$ 421	$185,869
Contributions	4,000	16,980		5,913		26,893
Loss on sale of contributed assets					(12)	(12)
Depreciation on contributed assets		(91)			(8)	(99)
Balance, June 30, 1984	$58,495	$113,062	$ 4,331	$36,362	$ 401	$212,651

16. Segment Information - Enterprise Funds:

Activity segments included in enterprise funds are described in Note 1B. Selected financial information (amounts expressed in thousands) with respect to these segments is as follows:

	Segments							
	Economic Development		Warehouse Development and Rentals	Toll Facilities (Maryland) Transportation Authority)	Lottery	Water Supply and Water Disposal	Manufacturing	Student Loan Insurance Programs
	Insurance Programs	Loan Programs						
Operating revenues	$ 8,869	$ 96,173	$ 3,708	$ 85,786	$540,387	$15,757	$8,728	$ 5,657
Depreciation and amortization		1,230	268	143	2,019	7	129	17
Operating income (loss)	7,125	(5,325)	1,764	44,900	210,723	(51)	1,292	(13,328)
Operating grants		14,041						12,844
Operating interfund transfers:								
In								2,540
Out					209,585			2,350
Net income (loss)	7,125	8,716	1,764	44,900	1,138	(51)	1,292	(292)
Current capital contributions	4,000	16,980				5,913		
Property, plant, and equipment:								
Additions		1,688	4,419	7,560	4,504	4,547	412	
Total assets	97,696	1,123,783	23,033	862,696	44,636	52,979	4,412	22,867
Bonds and other long-term liabilities:								
Payable from operating revenues		829,973		116,600		7,834		
Payable from other sources		62,925						
Total capital	93,030	195,268	7,271	738,762	12,169	37,113	1,997	9,671

17. Subsequent Event:

Under legislation enacted in April 1984, the University of Maryland Medical System Corporation, a private, non-profit, non-stock corporation, was founded on June 1, 1984. The purpose of the Corporation is to own and manage the University of Maryland Medical System, which is comprised of the the Hospital and the clinical health care component of the University's Baltimore City Campus.

Effective July 1, 1984 the Corporation became an independent, self-governing unit and is no longer a component of the University of Maryland. The Maryland State Board of Public Works approved the transfer of the Medical System from the University to the Corporation. The Corporation assumed essentially all liabilities of the Medical System as of June 30, 1984, along with the future costs associated with former employees of the University involved in the transfer and new employees of the Corporation.

The Hospital was a component of the University during 1984 and accordingly is included in the accompanying financial statements. The Hospital represents 8% of total assets, 26% of total revenues, and 17% of total expenses of the Higher Education and University Hospital Fund.

COMBINING FINANCIAL STATEMENTS AND SCHEDULES

STATE OF MARYLAND
Combining Balance Sheet
Debt Service Funds
June 30, 1984
(Expressed in Thousands)

	General Obligation Bonds	Transportation Bonds	Total
Assets:			
Cash and short-term investments	$ 26,968	$ 2,495	$ 29,463
Investments		418,291	418,291
Taxes receivable	8,362		8,362
Loans and notes receivable, net	83,274		83,274
Loans to other funds	13,872		13,872
Total assets	$132,476	$420,786	$553,262
Liabilities:			
Matured bonds and interest coupons payable	$ 1,705		$ 1,705
Total liabilities	1,705		1,705
Fund balances:			
Reserved for:			
Loans and notes receivable	24,068		24,068
Unreserved:			
Designated for:			
General long-term obligation bond debt service	106,703		106,703
Transportation bond debt service		$420,786	420,786
Total fund balances	130,771	420,786	551,557
Total liabilities and fund balances	$132,476	$420,786	$553,262

STATE OF MARYLAND

Combining Statement of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Fund Balances

Debt Service Funds

for the year ended June 30, 1984

(Expressed in Thousands)

	General Obligation Bonds	Transportation Bonds	Total
Revenues:			
Other taxes	$ 117,248		$117,248
Interest and other investment income	5,415	$ 32,580	37,995
Other	2,871		2,871
Total revenues	125,534	32,580	158,114
Expenditures:			
Debt service:			
Principal retirement	212,275	16,485	228,760
Interest	149,004	48,213	197,217
Total expenditures	361,279	64,698	425,977
Deficiency of revenues over expenditures	(235,745)	(32,118)	(267,863)
Other sources of financial resources:			
Operating transfers in	223,027	98,732	321,759
Operating transfers out		(1,776)	(1,776)
Net other sources of financial resources	223,027	96,956	319,983
Excess (deficiency) of revenues over expenditures and other sources of financial resources	(12,718)	64,838	52,120
Fund balances, July 1, 1983	143,489	355,948	499,437
Fund balances, June 30, 1984	$ 130,771	$420,786	$ 551,557

STATE OF MARYLAND
Combining Balance Sheet
Enterprise Funds
June 30, 1984
(Expressed in Thousands)

	Economic Development		Maryland Food Center Authority	Maryland Transportation Authority	Maryland State Lottery	Maryland Environmental Service	State Use Industries	Maryland Higher Education Loan Corporation	Total
	Insurance Programs	Loan Programs							
Assets:									
Cash and short-term investments	$60,859	$ 305,767	$ 115	$ 3,420	$ 3,512	$ 3,189	$ 902	$ 1,873	$ 379,637
Investments	33,602	130,237	6,666	2,966	23,067			17,371	213,909
Intergovernmental receivables					1,390	139		3,139	4,668
Other accounts receivable	11	37		487	5,456	2,824	1,031	254	10,100
Due from other funds				1,005					1,005
Inventories				222			1,724		1,946
Loans and notes receivable	1,622	655,101	151						656,874
Property, plant, and equipment, net		4,077	16,093	696,000	11,158	46,695	755	230	775,008
Restricted assets				155,065					155,065
Other assets	1,602	28,564	8	3,531	53	132			33,890
Total assets	$97,696	$1,123,783	$23,033	$862,696	$44,636	$52,979	$4,412	$22,867	$2,232,102
Liabilities:									
Accounts payable and accrued liabilities	$ 87	$ 17,281	$ 451	$ 1,788	$ 996	$ 5,532	$ 374	$ 502	$ 27,011
Other liabilities	20	15,377	3,898		2,323			2,243	23,861
Lottery prizes					26,861				26,861
Accrued insurance and loan losses	3,014							1,171	4,185
Deferred revenue	1,545	2,959	41	316	2,287		41	9,280	16,469
Loans from other funds			11,372			2,500	2,000		15,872
Notes payable		62,925							62,925
Revenue bonds payable		829,973		116,600		7,834			954,407
Liabilities payable from restricted assets				5,230					5,230
Total liabilities	4,666	928,515	15,762	123,934	32,467	15,866	2,415	13,196	1,136,821
Capital:									
Contributed capital	58,495	113,062		4,331		36,362	401		212,651
Retained earnings:									
Reserved				149,834	3,333				153,167
Unreserved	34,535	82,206	7,271	584,597	8,836	751	1,596	9,671	729,463
Total capital	93,030	195,268	7,271	738,762	12,169	37,113	1,997	9,671	1,095,281
Total liabilities and capital	$97,696	$1,123,783	$23,033	$862,696	$44,636	$52,979	$4,412	$22,867	$2,232,102

STATE OF MARYLAND

Combining Statement of Revenues, Expenses and Changes in Retained Earnings

Enterprise Funds

for the year ended June 30, 1984

(Expressed in Thousands)

	Economic Development		Maryland Food Center Authority	Maryland Transportation Authority	Maryland State Lottery	Maryland Environmental Service	State Use Industries	Maryland Higher Education Loan Corporation	Total
	Insurance Programs	Loan Programs							
Operating revenues:									
Lottery ticket sales					$ 536,808				$ 536,808
Charges for services and sales	$ 2,499	$ 29	$1,489	$71,562		$15,633	$8,724	$ 1,297	101,233
Interest and other investment income	6,327	95,528	618	13,683		124		2,382	118,662
Other	43	616	1,601	541	3,579		4	1,978	8,362
Total operating revenues	8,869	96,173	3,708	85,786	540,387	15,757	8,728	5,657	765,065
Operating expenses:									
Prizes and claims					277,344				277,344
Commissions and bonuses					21,372				21,372
Cost of sales and services			443				6,304	15,540	22,287
Operation and maintenance of facilities		14,942		29,631		13,547			58,120
General and administrative	1,379	7,527	853	3,348	21,616	1,763	1,003	2,695	40,184
Interest		76,539	380	7,764		491			85,174
Depreciation and amortization		1,230	268	143	2,019	7	129	17	3,813
Provision for insurance and loan losses	365							686	1,051
Payments to subdivisions, net					7,313				7,313
Other		1,260						45	1,305
Total operating expenses	1,744	101,498	1,944	40,886	329,664	15,808	7,436	18,983	517,963
Operating income (loss) before operating grants and transfers	7,125	(5,325)	1,764	44,900	210,723	(51)	1,292	(13,326)	247,102
Operating grants		14,041						12,844	26,885
Operating transfers in								2,540	2,540
Operating transfers out					(209,585)			(2,350)	(211,935)
Net income (loss)	7,125	8,716	1,764	44,900	1,138	(51)	1,292	(292)	64,592
Add: depreciation of cost of assets acquired from contributed capital		91					8		99
Increase (decrease) in retained earnings	7,125	8,807	1,764	44,900	1,138	(51)	1,300	(292)	64,691
Retained earnings, July 1, 1983	27,410	73,399	5,507	689,531	11,031	802	296	9,963	817,939
Retained earnings, June 30, 1984	$34,535	$82,206	$7,271	$734,431	$ 12,169	$ 751	$1,596	$ 9,671	$ 882,630

STATE OF MARYLAND
Combining Statement of Changes
in Financial Position
Enterprise Funds
for the year ended June 30, 1984
(Expressed in Thousands)

	Economic Development		Maryland Food Center Authority	Maryland Transportation Authority	Maryland State Lottery	Maryland Environmental Service	State Use Industries	Maryland Higher Education Loan Corporation	Total
	Insurance Programs	Loan Programs							
Sources of financial resources:									
Operations:									
Net income (loss)	$ 7,125	$ 8,716	$ 1,764	$44,900	$ 1,138	$ (51)	$1,292	$ (292)	$ 64,592
Expenses not requiring current outlay of financial resources									
Depreciation and amortization		1,230	268	143	2,019	7	129	17	3,813
Other			443				20		463
Total sources of financial resources from operations	7,125	9,946	2,475	45,043	3,157	(44)	1,441	(275)	68,868
Increase in accrued insurance and loan losses	460							177	637
Increase in loans from other funds			3						3
Increase in notes payable		4,210							4,210
Increase in lottery prizes					11,042				11,042
Issuance of revenue bonds		282,177							282,177
Contributed capital	4,000	16,980				5,913	(12)		26,881
Other, net	(839)	(2,539)	6	(994)	849	84	41	1,460	(1,932)
Total sources of financial resources	10,746	310,774	2,484	44,049	15,048	5,953	1,470	1,362	391,886
Uses of financial resources:									
Increase (decrease) in investments	(12,302)	7,504	1,859	123	8,829			(395)	5,618
Increase (decrease) in other accounts, loans and notes receivable	122	108,650	(89)	95	5,260	1,147	163	732	116,080
Increase in inventories				24			154		178
Acquisition of fixed assets		1,688	4,419	7,560	4,504	4,547	412		23,130
Increase in restricted assets				33,017				122	33,139
Decrease (increase) in accounts payable and accrued liabilities	112	(8,099)	(3,918)	(21)	(2,705)	(1,580)	(4)	(953)	(17,168)
Decrease in current liabilities payable from restricted assets				1,513					1,513
Repayment of notes payable		10,416							10,416
Retirement of revenue bonds		131,065	900	1,035		1,656			134,656
Total uses of financial resources	(12,068)	251,224	3,171	43,346	15,888	5,770	725	(494)	307,562
Net increase (decrease) in unrestricted cash and short-term investments	$ 22,814	$ 59,550	$ (687)	$ 703	$ (840)	$ 183	$ 745	$1,856	$ 84,324

STATE OF MARYLAND
Combining Balance Sheet
Fiduciary Fund Types
June 30, 1984
(Expressed in Thousands)

	Expendable Trust Funds				Agency Funds					
	Deferred Compensation Plan	Employment Security Administration	Nonexpendable Trust Fund	Pension Trust Fund	Patient and Prisoner Accounts	Local Highway Grants	Local Admissions and Amusement Taxes	Local Income Taxes	Social Security	Total
Assets:										
Cash and short-term investments		$ (2,454)	$ 33,385		$3,798	$771	$5,687	$ 89,169	$ 1,455	$ 131,811
Investments	$154,701		129,064	$3,801,218					27,550	4,112,533
Amount on deposit with U.S. Treasury		170,178								170,178
Taxes receivable		87,518								87,518
Other accounts receivable	3,195		1,403	25,169					9,780	39,547
Due from other funds								146,826	16,611	163,437
Inventories			58							58
Property, plant, and equipment, net			1,140							1,140
Total assets	$157,896	$255,242	$165,050	$3,826,387	$3,798	$771	$5,687	$235,995	$55,396	$4,706,222
Liabilities:										
Accounts payable and accrued liabilities		$ 4,533		$ 31,226	$3,798				$51,549	$ 91,106
Accounts payable to political subdivisions						$771	$5,687	$ 91,496		97,954
Due to other funds									3,847	3,847
Local income tax refunds								144,499		144,499
Accrued insurance losses			$117,100							117,100
Other liabilities			2,703	3,126						5,829
Deferred revenue			8,101							8,101
Total liabilities		4,533	127,904	34,352	3,798	771	5,687	235,995	55,396	468,436
Fund balances:										
Reserved for:										
Pension benefits				3,792,035						3,792,035
Workers' compensation benefits			43,101							43,101
Unemployment compensation benefits		250,709								250,709
Unrealized market depreciation on investments			(5,955)							(5,955)
Unreserved:										
Designated for deferred compensation benefits	$157,896									157,896
Total fund balances	157,896	250,709	37,146	3,792,035						4,237,786
Total liabilities and fund balances	$157,896	$255,242	$165,050	$3,826,387	$3,798	$771	$5,687	$235,995	$55,396	$4,706,222

STATE OF MARYLAND

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Expendable Trust Funds

for the year ended June 30, 1984

(Expressed in Thousands)

	Deferred Compensation Plan	Employment Security Administration	Total
Revenues:			
Other taxes		$314,027	$314,027
Interest and other investment income	$ 5,685		5,685
Contributions	21,645		21,645
Federal revenue		50,039	50,039
Total revenues	27,330	364,066	391,396
Expenditures:			
Employment and training		284,512	284,512
Personnel and retirement	11,326		11,326
Total expenditures	11,326	284,512	295,838
Excess of revenues over expenditures	16,004	79,554	95,558
Fund balances, July 1, 1983	141,892	171,155	313,047
Fund balances, June 30, 1984	$157,896	$250,709	$408,605

STATE OF MARYLAND

Combining Statement of Changes in Assets and Liabilities—All Agency Funds for the year ended June 30, 1984

(Expressed in Thousands)

	Balance July 1, 1983	Additions	Deletions	Balance June 30, 1984
Patient and Prisoner Accounts				
Assets:				
Cash and short-term investments	$ 3,830	$ 9,266	$ 9,298	$ 3,798
Liabilities:				
Accounts payable and accrued liabilities	$ 3,830	$ 7,260	$ 7,292	$ 3,798
Local Highway Grants				
Assets:				
Cash and short-term investments	$ 4,656	$ 96,944	$ 100,829	$ 771
Liabilities:				
Accounts payable to political subdivisions	$ 4,656	$ 96,944	$ 100,829	$ 771
Local Admissions and Amusement Taxes				
Assets:				
Cash and short-term investments	$ 5,637	$ 28,741	$ 28,691	$ 5,687
Liabilities:				
Accounts payable to political subdivisions	$ 5,637	$ 28,741	$ 28,691	$ 5,687
Local Income Taxes				
Assets:				
Cash and short-term investments	$ 65,764	$ 820,643	$ 797,238	$ 89,169
Due from other funds	148,408	146,826	148,408	146,826
Total assets	$214,172	$ 967,469	$ 945,646	$235,995
Liabilities:				
Accounts payable to political subdivisions	$ 82,066	$ 91,496	$ 82,066	$ 91,496
Local income tax refunds	132,106	675,614	663,221	144,499
Total liabilities	$214,172	$ 767,110	$ 745,287	$235,995
Social Security				
Assets:				
Cash and short-term investments	$ (43,261)	$1,802,007	$1,757,291	$ 1,455
Investments	71,092	1,180,647	1,224,189	27,550
Other accounts receivable	9,216	365,156	364,592	9,780
Due from other funds	11,915	170,571	165,875	16,611
Total assets	$ 48,962	$3,518,381	$3,511,947	$ 55,396
Liabilities:				
Accounts payable and accrued liabilities	$ 48,962	$ 535,638	$ 533,051	$ 51,549
Due to other funds		3,847		3,847
Total liabilities	$ 48,962	$ 539,485	$ 533,051	$ 55,396
Totals - All Agency Funds				
Assets:				
Cash and short-term investments	$ 36,626	$2,757,601	$2,693,347	$100,880
Investments	71,092	1,180,647	1,224,189	27,550
Other accounts receivable	9,216	365,156	364,592	9,780
Due from other funds	160,323	317,397	314,283	163,437
Total assets	$277,257	$4,620,801	$4,596,411	$301,647
Liabilities:				
Accounts payable and accrued liabilities	$ 52,792	$ 542,898	$ 540,343	$ 55,347
Accounts payable to subdivisions	92,359	217,181	211,586	97,954
Due to other funds		3,847		3,847
Local income tax refunds	132,106	675,614	663,221	144,499
Total liabilities	$277,257	$1,439,540	$1,415,150	$301,647

STATE OF MARYLAND

Schedule of Fixed Assets and Accumulated Depreciation

June 30, 1984

(Expressed in Thousands)

	Land and Improvements	Structure and Improvements	Equipment	Construction in Progress	Total Cost	Accumulated Depreciation	Total Cost Less Accumulated Depreciation
Proprietary Fund Type (by fund)							
Economic Development—Loan Programs	$ 380	$ 3,661	$ 195	$ 1,010	$ 5,246	$ 1,169	$ 4,077
Maryland Food Center Authority	7,781	9,435	195	5	17,416	1,323	16,093
Maryland Transportation Authority		696,000			696,000		696,000
Maryland State Lottery			13,177		13,177	2,019	11,158
Maryland Environmental Service		41,803	406	4,506	46,715	20	46,695
State Use Industries		87	2,189		2,276	1,521	755
Maryland Higher Education Loan Corporation			285		285	55	230
Total	$ 8,161	$ 750,986	$ 16,447	$ 5,521	$ 781,115	$ 6,107	$ 775,008
Fiduciary Fund Types							
Nonexpendable Trust Fund	$ 48		$ 1,275		$ 1,323	$ 183	$ 1,140
General Fixed Assets (by function)							
General government	$ 22,980	$ 219,779	$ 44,870	$ 41,412	$ 329,041		$ 329,041
Education		13,917	6,303		20,220		20,220
Human resources	356	5,167	11,050		16,573		16,573
Health and mental hygiene	21,292	230,351	39,467	18,679	309,789		309,789
Transportation	125,831	1,031,901	246,758	144,334	1,548,824		1,548,824
Public safety and judicial	16,978	190,229	50,568	4,994	262,769		262,769
Economic and community development	2,378	4,971	1,052	3,719	12,120		12,120
Natural resources and recreation	192,478	35,441	19,172	4,290	251,381		251,381
Agriculture	59	1,080	3,953	13,707	18,799		18,799
Personnel and retirement			953		953		953
Total	$382,352	$1,732,836	$424,146	$231,135	$2,770,469		$2,770,469
Higher Education and University Hospital	$ 49,974	$ 810,856	$319,850	$ 18,896	$1,199,576	$38,278	$1,161,298

STATE OF MARYLAND

Schedule of Changes in General Fixed Assets by Function

for the fiscal year ended June 30, 1984

(Expressed In Thousands)

	Balance July 1, 1983	Additions	Deletions	Transfer In (Out)	Balance June 30, 1984
Function:					
General government	$ 307,450	$ 25,991	$ 4,391	$ (9)	$ 329,041
Education	18,944	1,489	213		20,220
Human resources	9,040	8,640	1,107		16,573
Health and mental hygiene	301,911	11,938	4,060		309,789
Transportation	1,392,742	168,049	11,941	(26)	1,548,824
Public safety and judicial	206,389	61,692	5,347	35	262,769
Economic and community development	6,510	8,368	2,758		12,120
Natural resources and recreation	224,140	29,894	2,653		251,381
Agriculture	16,632	2,444	277		18,799
Personnel and retirement	839	159	45		953
Total	$2,484,597	$318,664	$32,792	$ -0-	$2,770,469

STATE OF MARYLAND

Schedule of Estimated and Actual Revenues by Source—Budgetary Basis

for the year ended June 30, 1984

(Expressed in Thousands)

Source	Annual Budgeted Funds						Capital Projects Fund	Other Funds	Total
	General Fund		Special Fund		Federal Fund				
	Estimated Revenues	Actual Revenues	Estimated Revenues	Actual Revenues	Estimated Revenues	Actual Revenues	Actual Revenues	Actual Revenues	Actual Revenues
Taxes:									
Property tax			$ 149,601	$ 119,978				$ 44,530	$ 164,508
Franchise and corporation tax	$ 109,700	$ 106,847	5,940	3,285					110,132
Death taxes	32,300	34,511							34,511
Recordation tax	98							488	488
Admission and amusement tax			814	751					751
Alcoholic beverage tax	19,050	18,927	9,973	9,761					28,688
Motor vehicle fuel taxes			284,500	290,259					290,259
Income taxes	1,676,060	1,693,373	72,791	89,580					1,782,953
Retail sales and use taxes	972,230	988,285							988,285
Cigarette tax	50,800	51,186	15,600	14,987					66,173
Other tobacco taxes		221	32	87					308
Motor vehicle titling taxes	600		170,000	223,472					223,472
Insurance company taxes	74,391	72,621		948					73,569
Horse racing taxes	15,442	12,058	4,154	3,453					15,511
Shellfish taxes			1,593	628					628
Boxing, wrestling or sparring taxes	188	221							221
Apple tax			37	23					23
Boat titling tax			4,308	7,838					7,838
Energy generation tax			6,394	5,617					5,617
Emergency telephone system tax			3,000	2,822					2,822
Unemployment insurance taxes								314,026	314,026
Total taxes	2,950,859	2,978,250	728,737	773,489				359,044	4,110,783
Other:									
Licenses and permits	8,252	10,844	109,216	119,125				8	129,977
Fees for services	18,666	21,440	88,530	114,436				134,317	270,193
Fines and costs	33,295	32,561		892				4,362	37,815
Sales to the public	1,001	1,374	23,702	32,383		$ 14		308,461	342,232
Commissions and royalties	44	110	12,541	14,882		12		52	15,056
Rentals	718	733	32,191	38,461		4		1,059	40,257
Interest on investments	38,755	38,277	19,246	11,577		269	$ 3,235	315,148	368,506
Interest on loan repayments			7,314	10,832				50,386	61,218
Miscellaneous	15,919	13,447	3,661	15,608	$ 150	5		444	29,504
Colleges and universities	1,265	1,323	456,248	409,440	93,948	76,155		141,273	628,191
Federal reimbursements and grants	48,000	38,340		14,646	1,382,124	1,212,740		64,541	1,330,267
Other reimbursements	26,928	25,788	59,760	43,855	1,127	1,367		5,832	76,842
Provisions for refunds								652	652
Bond issues:									
State—general purpose				164			116,700		116,864
Consolidated Transportation Bonds			70,000					44	44
Loan repayments			12,670	5,441					5,441
State reimbursements	209,693	211,592	162,868	174,943	28,184	19,004	9,031	44,589	459,159
Trust funds		1	4,856	3,890				9,925	13,816
Revolving accounts		(3)	1,608	5,720		81		(549)	5,249
Reduction of expenditures	196	1,475		249		907		175	2,806
Advance collections		2		(229)					(227)
Contributions								559,577	559,577
Total revenues	$3,353,591	$3,375,554	$1,793,148	$1,789,804	$1,505,533	$1,310,558	$128,966	$1,999,340	$8,604,222

STATE OF MARYLAND

Schedule of Budget and Actual Expenditures and Encumbrances by Major Function

Budgetary Basis

for the year ended June 30, 1984

(Expressed in Thousands)

Expenditures and Encumbrances by Major Function	Annual Budgeted Funds						Capital Projects Fund	Other Funds	Total
	General Fund		Special Fund		Federal Fund				
	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual	Actual	Actual	Actual
Payments of revenue to civil divisions of the State	$ 123,900	$ 122,680	$ 38,589	$ 33,722					$ 156,402
Public debt	68,900	68,900	292,379	292,379					361,279
Legislative	19,114	18,791							18,791
Judicial review and legal	67,369	67,259	734	720	$ 912	$ 831		$ 4,947	73,757
Executive and administrative control	19,161	18,466	2,127	1,685	26,699	26,363		1,949	48,463
Financial and revenue administration	99,800	93,433	27,932	27,134				312,538	433,105
Budgetary and fiscal administration	3,474	3,349	330	330					3,679
Personnel administration, retirement and employee relations	578,127	578,127	15,203	13,843				435,528	1,027,498
State planning	3,327	3,321	981	981	321	293		41	4,636
General services	21,529	21,227	682	671	195	140		14	22,052
Transportation and highways			839,175	802,788	445,455	331,292		77,095	1,211,175
Natural resources and recreation	26,199	26,095	31,062	27,672	13,123	12,280		12,399	78,446
Agriculture	8,558	8,442	6,791	5,467	2,319	1,857		2,751	18,517
Health, hospitals, and mental hygiene	750,908	748,559	27,880	27,014	338,503	332,575		(2,259)	1,105,889
Human resources	227,176	219,963	833	805	297,581	279,075		1,768	501,611
Licensing and regulation	14,114	13,965	1,783	1,593	2,300	2,199			17,757
Public safety and correctional services	197,488	195,908	25,863	24,871	2,794	1,591		(531)	221,839
Public education	1,216,355	1,209,448	465,377	444,016	275,843	261,301		113,585	2,028,350
Economic and community development	17,052	16,752	15,427	8,211	20,275	18,331		67,277	110,571
Employment and training	433	372			79,213	48,361		285,752	334,485
Construction reimbursement								955	955
Loan accounts							$202,052		202,052
Miscellaneous								15,539	15,539
Reversions:									
Current year reversions	(35,000)								
Prior year reversions		(2,127)		(1,901)		(2,978)			(7,006)
Total expenditures and encumbrances	$3,427,984	$3,432,930	$1,793,148	$1,712,001	$1,505,533	$1,313,511	$202,052	$1,329,348	$7,989,842

STATE OF MARYLAND

Schedule of Changes in Fund Equities—Budgetary Basis

for the year ended June 30, 1984

(Expressed in Thousands)

	Special Fund						
	General Fund	Other Special	Debt Service	Federal Fund	Capital Projects Fund	Other Funds	Total
Fund equities, July 1, 1983	$ 52,870	$ 205,781	$143,489		$188,569	$ 851,435	$1,442,144
Adjustments	2,000[1]					5,334,112[2]	5,336,112
Fund equities, restated	54,870	205,781	143,489		188,569	6,185,547	6,778,256
Increase:							
Revenues	3,375,554	1,510,996	278,808	$1,310,558	128,966	1,999,340	8,604,222
Decrease:							
Appropriations	3,462,984	1,500,769	292,379	1,505,533			
Less: Current year reversions	(27,927)	(79,246)		(189,044)			
Prior year reversions	(2,127)	(1,901)		(2,978)			
Expenditures and encumbrances	3,432,930	1,419,622	292,379	1,313,511	202,052	1,329,348	7,989,842
Changes to encumbrances during year	(1,588)	1,083		(4,234)			(4,739)
Expenditures	3,431,342	1,420,705	292,379	1,309,277	202,052	1,329,348	7,985,103
Transfers in (out)	42,183	(28,212)	853	(1,281)	42,555	(56,098)	
Changes in contributed capital						26,782	26,782
Decrease in unrealized market appreciation of investments						(9,476)	(9,476)
Fund equities, June 30, 1984	$ 41,265	$ 267,860	$130,771	$ -0-	$158,038	$6,816,747	$7,414,681
Invested in fixed assets						$1,126,178	$1,126,178
Contributed Capital						212,651	212,651
Retained earnings:							
Reserved						153,167	153,167
Unreserved						729,463	729,463
Fund Balance:							
Reserved:							
Encumbrances	$ 21,075	$ 26,787		$ 23,181	$191,369	420	262,832
Loans and notes receivable		220	$ 24,068				24,288
Loans to other funds	2,000						2,000
Higher education programs						27,245	27,245
Shore erosion loan program		8,996					8,996
Endowment and similar funds						26,098	26,098
Pension benefits						3,792,035	3,792,035
Workers' compensation benefits						43,101	43,101
Unemployment compensation benefits						250,709	250,709
Unrealized market depreciation on investments						(5,955)	(5,955)
Unreserved:							
Designated for:							
General long-term debt service			106,703				106,703
Transportation debt service						420,786	420,786
Deferred compensation benefits						157,896	157,896
Fiscal year 1985 operations	1,530						1,530
Undesignated (deficit)	16,660	231,857		(23,181)	(33,331)	(117,047)	74,958
Total	$ 41,265	$ 267,860	$130,771	$ -0-	$158,038	$6,816,747	$7,414,681

[1] Effective July 1, 1983, the accounting treatment for the reserve for loans to other funds in the Budgetary General Fund was changed to recognize the equity in accordance with generally accepted accounting principles. The beginning fund balance has been restated to reflect this change.

[2] Effective July 1, 1983, the accounting treatment for timing differences in the enterprise, trust and agency, and higher education and university hospital funds are incorporated in the Budgetary Other Funds in accordance with generally accepted accounting principles. The beginning fund balance has been restated to reflect these changes.

STATE OF MARYLAND

Schedule of Funds Transferred to Political Subdivisions

for the year ended June 30, 1984[1]

(Expressed in Thousands)

Subdivision[2]	State Sources				Other Sources				
	Shared Revenues	Direct Grants and Appropriations	Debt Service	Total	Federal Funds	State Administered Local Revenue	Total	Assessed Value of Real and Personal Property[2]	Amount Per $100 of Assessed Value
Allegany	$ 2,824	$ 28,034	$ 6,559	$ 37,417	$ 6,394	$ 8,007	$ 51,818	$ 721,463	$ 7.18
Anne Arundel	12,929	121,390	27,801	162,120	15,660	79,560	257,340	4,389,291	5.86
Baltimore County	22,973	179,447	17,793	220,213	19,542	150,429	390,184	7,565,750	5.16
Calvert	1,650	11,906	4,264	17,820	2,688	2,849	23,357	1,163,361	2.01
Caroline	1,682	9,524	2,479	13,685	2,617	2,637	18,939	164,075	11.54
Carroll	4,373	32,617	6,963	43,953	3,910	19,146	67,009	1,145,154	5.85
Cecil	2,876	25,205	5,644	33,725	4,058	8,251	46,034	538,465	8.55
Charles	3,113	34,604	7,497	45,214	5,158	14,514	64,886	1,003,638	6.47
Dorchester	1,879	11,617	4,920	18,416	3,150	3,151	24,717	292,837	8.44
Frederick	5,022	41,517	10,699	57,238	4,825	21,355	83,418	1,338,880	6.23
Garrett	2,207	12,210	3,788	18,205	2,565	2,502	23,272	288,638	8.06
Harford	5,186	47,985	13,991	67,162	7,351	26,180	100,693	1,453,869	6.93
Howard	4,887	42,127	10,918	57,932	3,687	35,392	97,011	2,125,869	4.56
Kent	1,053	12,137	3,775	16,965	1,403	2,351	20,719	187,629	11.04
Montgomery	17,835	114,880	19,716	152,431	19,696	184,204	356,331	11,479,933	3.10
Prince George's	17,230	227,567	21,744	266,541	34,059	122,867	423,467	7,139,488	5.93
Queen Anne's	1,830	42,438	3,081	47,349	2,153	4,034	53,536	338,959	15.79
St. Mary's	2,562	20,713	3,577	26,852	3,882	8,544	39,278	573,224	6.85
Somerset	1,317	7,779	4,080	13,176	2,963	1,524	17,663	149,830	11.79
Talbot	1,456	6,294	1,850	9,600	1,994	3,522	15,116	449,652	3.36
Washington	3,947	36,148	6,717	46,812	6,346	14,345	67,503	1,035,495	6.52
Wicomico	2,903	24,812	7,307	35,022	4,946	8,689	48,657	703,342	6.92
Worcester	1,961	8,089	2,860	12,910	2,409	3,608	18,927	878,380	2.15
Baltimore City	103,972	412,436	30,728	547,136	148,824	97,303	793,263	4,704,190	16.86
Total	$227,667	$1,511,476	$228,751	$1,967,894	$310,280	$824,964	$3,103,138	$49,831,412	

[1] In addition to the amounts shown for counties and Baltimore City, $39,733,000 was distributed to municipalities within the counties.

[2] Source: *Fortieth Report of the State Department of Assessments and Taxation*, dated January 1984. Amounts shown are the local subdivisions' assessable base only.

STATE OF MARYLAND
Schedule of Taxes Receivable from Collectors of State Property Taxes
June 30, 1984
(Expressed in Thousands)

Political Subdivision	Taxes Receivable		
	Current Year	Prior Years	Total
Allegany	$ 130	$ 105	$ 235
Anne Arundel	427	161	588
Baltimore County	494	373	867
Calvert	96	15	111
Caroline	26	3	29
Carroll	319	9	328
Cecil	76	9	85
Charles	27	48	75
Dorchester	91	36	127
Frederick	501	53	554
Garrett	78	13	91
Harford	130	31	161
Howard	241	142	383
Kent	46	5	51
Montgomery	1,389	575	1,964
Prince George's	574	377	951
Queen Anne's	8		8
St. Mary's	109	39	148
Somerset	54	22	76
Talbot	(3)	7	4
Washington	221	47	268
Wicomico	144	56	200
Worcester	128	32	160
Baltimore City	550	348	898
Total	$5,856	$2,506	$8,362

STATE OF MARYLAND

Schedule of Estimated Revenues—Budgetary Basis

for the year ending June 30, 1985

(Expressed in Thousands)

	General Fund	Special Fund	Federal Fund	Total
Property taxes	$ 21,490	$ 125,985[1]	-	$ 147,475
Franchise and corporation taxes	117,651	4,307		121,958
Death taxes	30,648			30,648
Alcoholic beverage taxes and licenses	19,280	9,700		28,980
Admission taxes		853		853
Motor vehicle fuel taxes and licenses	6,061	293,939		300,000
Income taxes	1,913,299	70,818		1,984,117
Retail sales and use tax and licenses	1,055,402			1,055,402
State tobacco tax and licenses	50,400	15,100		65,500
Motor vehicle tax and licenses	650	332,780		333,430
Insurance company taxes, licenses and fees	79,350			79,350
Horse race taxes and licenses	12,359	3,566		15,925
District courts fines and costs	34,000			34,000
Interest on investments	36,000	7,000		43,000
Hospital patient recoveries	77,930			77,930
Miscellaneous taxes, fees and other revenues	20,711	30,422[2]		51,133
Legislative	474			474
Judicial review and legal	10,557	821	$ 814	12,192
Executive and administrative control		1,687	18,300	19,987
Financial and revenue administration	229,048	34,355		263,403
Budgetary and fiscal administration	625	277		902
Personnel administration, retirement, and employee relations	3,000	14,249		17,249
State planning		819	372	1,191
General services	78	42	160	280
Transportation and highways		196,811	448,709	645,520
Natural resources and recreation	22	32,482	12,546	45,050
Agriculture	80	5,061	1,899	7,040
Health, hospitals, and mental hygiene	6,962	27,368	322,172	356,502
Human resources	1,817	8,183	271,214	281,214
Licensing and regulation	5,365	1,654	2,509	9,528
Public safety and correctional services	442	27,842	1,417	29,701
Public education	1,358	465,258	267,278	733,894
Economic and community development		21,446	17,575	39,021
Employment and training	701		84,635	85,336
Total	3,735,760	1,732,825	1,449,600	6,918,185
Transfer from other funds	15,000			15,000
Deductions from motor vehicle revenue:				
Comptroller of the treasury—clerks of court deficiency fund		(1,950)		(1,950)
Total estimated revenues	$3,750,760	$1,730,875	$1,449,600	$6,931,235[3]

[1] Includes $101,985,000 recorded as Debt Service Fund for accounting purposes.

[2] Includes $29,226,000 recorded as Debt Service Fund for accounting purposes.

[3] Amounts are estimated at July 1, 1984, and do not reflect revisions, if any, subsequent to that date.

STATE OF MARYLAND

Schedule of General, Special and Federal Fund Appropriations—Budgetary Basis

for the year ending June 30, 1985

(Expressed in Thousands)

Functions	General Fund	Special Fund	Federal Fund	Total
Payments of revenue to civil divisions of the State	$ 126,850	$ 44,536		$ 171,386
Public debt	94,500	131,211[1]		225,711
Legislative	22,083			22,083
Judicial review and legal	75,333	821	$ 814	76,968
Executive and administrative control	26,203	1,751	18,300	46,254
Financial and revenue administration	101,519	28,752		130,271
Budgetary and fiscal administration	3,971	277		4,248
Personnel administration, retirement, and employee relations	458,908	14,249		473,157
State planning	3,639	819	372	4,830
General services	25,044	42	160	25,246
Transportation and highways		882,925	448,709	1,331,634
Natural resources and recreation	36,105	58,146	12,546	106,797
Agriculture	11,497	5,514	1,899	18,910
Health, hospitals, and mental hygiene	866,725	27,368	322,172	1,216,265
Human resources	234,350	8,183	271,214	513,747
Licensing and regulation	15,417	1,654	2,509	19,580
Public safety and correctional services	226,517	33,444	1,417	261,378
Public education	1,422,493	465,608	267,278	2,155,379
Economic and community development	17,806	21,446	17,575	56,827
Employment and training	3,331		84,635	87,966
Total appropriations	3,772,291	1,726,746	1,449,600	6,948,637
Plus: Net increase in special fund revenue due to current revision in revenue estimates; Department of Transportaton undistributed revenue		4,129		4,129
Grand total appropriations	$3,772,291	$1,730,875	$1,449,600	$6,952,766[2]

[1] Recorded as Debt Service Fund for accounting purposes.

[2] Amounts are reported as of July 1, 1984, and do not reflect revisions, if any, subsequent to that date.

STATISTICAL SECTION

STATE OF MARYLAND

Schedule of General Government Revenues by Source, Expenditures by Function and Other Sources (Uses) of Financial Resources and Changes in Fund Balances General, Special Revenue, Debt Service and Capital Projects Funds Last Ten Fiscal Years

(Expressed in Thousands)

	Year ended June 30,									
	1984	1983	1982	1981	1980	1979	1978	1977	1976	1975
Revenues:										
Income taxes	$1,803,939	$1,558,515	$1,452,355	$1,363,909	$1,219,352	$1,107,459	$ 996,920	$ 908,254	$ 834,592	$ 743,700
Retail sales and use taxes	988,284	865,087	797,397	753,674	712,815	699,188	628,059	465,858	419,412	396,019
Motor vehicle taxes and fees	635,602	518,274	436,633	417,302	414,178	431,010	415,057	372,294	345,509	322,764
Other taxes	574,353	550,664	510,021	478,221	438,558	395,457	354,245	360,193	289,334	269,343
Other licenses and fees	70,387	57,488	49,426	38,463	35,882	35,732	36,404	32,928	30,137	26,148
Charges for services	229,160	185,585	193,157	174,986	143,331	117,219	190,156	171,167	143,778	125,449
Interest and other investment income	84,421	96,621	124,999	115,358	111,239	79,554	34,807	22,345	16,577	26,902
Other	111,128	87,588	80,872	107,517	123,157	135,679	41,028	16,102	11,790	24,303
Federal revenue	1,146,614	1,097,953	928,906	1,029,790	996,053	881,964	834,945	782,711	680,654	586,097
Total revenues	5,643,888	5,017,775	4,573,766	4,479,220	4,194,565	3,883,262	3,531,621	3,131,852	2,771,783	2,520,725
Expenditures:										
Current:										
General government	199,323	217,869	205,972	197,909	248,079	147,529	202,922	181,996	160,630	126,507
Education	983,603	956,799	934,163	891,961	816,402	740,997	693,981	631,146	586,558	546,031
Human resources	543,078	521,613	465,299	510,244	426,150	375,058	350,067	324,843	303,170	256,411
Health and mental hygiene	1,131,159	1,025,195	896,743	860,286	769,676	657,604	590,447	531,074	499,348	449,575
Transportation	380,167	330,262[4]	666,070	655,324	619,629	571,347	614,773	565,283	551,004	553,124
Public safety and judicial	317,823	333,387	286,223	270,379	266,028	271,390	207,704	195,347	186,110	152,343
Economic and community development	24,088	21,137	17,238	18,464	13,754	10,719	9,457	8,431	8,548	7,815
Natural resources and recreation	59,259	59,487	53,974	56,238	42,022	44,809	43,577	39,050	37,255	36,151
Agriculture	20,650	18,655	16,662	13,232	9,971	9,162	8,280	6,871	6,439	6,109
Personnel and retirement	505,587	414,860	334,725	335,892	323,618	308,033	260,790	223,781	179,841	153,880
Intergovernmental	513,755	410,436	376,043	466,260	392,772	390,334	[1]	[1]	[1]	[1]
Debt service	425,977	436,328	411,313	315,868	293,895	269,810	283,321	254,561	223,288	184,846
Capital outlay	485,615	595,474[4]	128,424	96,787	70,249	58,801	282,384	306,987	405,440	364,820
Total expenditures	5,590,084	5,341,502	4,792,849	4,686,844	4,292,245	3,855,593	3,547,703	3,269,370	3,147,631	2,837,612
Excess (deficiency) of revenues over expenditures	53,804	(323,727)	(219,083)	(207,624)	(97,680)	27,669	(16,082)	(137,518)	(375,848)	(316,887)
Other sources (uses) of financial resources:										
Proceeds from bond issues	146,470	473,105	253,880	444,335	162,310	120,000	218,145	498,112	501,493	398,558
Operating transfers in	714,606	201,668	208,341	171,422	166,702	130,081	112,947	57,026	23,804	16,653
Operating transfers out	(865,980)	(362,651)	(322,959)	(308,330)	(292,657)	(258,497)	(170,662)	(158,160)	(170,059)	(152,805)
Net other sources (uses) of financial resources	(4,904)	312,122	139,262	307,427	36,355	(8,416)	160,430	396,978	355,238	262,406
Excess (deficiency) of revenues over expenditures and net other sources (uses) of financial resources	48,900	(11,605)	(79,821)	99,803	(61,325)	19,253	144,348	259,460	(20,610)	(54,481)
Fund balance, July 1	713,563	717,168	803,584	693,781	742,106	514,366	370,018	110,558	131,168	185,649
Adjustments			(6,595)[3]			208,487[2]				
Fund balance, July 1, as restated	713,563	717,168	796,989	693,781	742,106	722,853	370,018	110,558	131,168	185,649
Equity transfers		8,000[5]		10,000	13,000					
Fund balance, June 30	$ 762,463	$ 713,563	$ 717,168	$ 803,584	$ 693,781	$ 742,106	$ 514,366	$ 370,018	$ 110,558	$ 131,168

Source: General Accounting Division, State Comptroller's Office

[1] Intergovernmental expenditures for the years 1975 through 1978 are included in current and capital outlay expenditures.

[2] Certain adjustments were made to fund balances as of July 1, 1978 to present the financial statements for the year ended June 30, 1979 in conformity with generally accepted accounting principles. These adjustments principally consist of adjustments to revenues and expenditures of prior years reported in Budgetary Funds. It is not practicable to adjust the financial statements of prior years to reflect these adjustments.

[3] Effective July 1, 1981, the Maryland Higher Education Loan Corporation's activities were recorded in the enterprise funds and its beginning equity was reclassified from the general fund balance to retained earnings in the enterprise funds.

[4] Effective July 1, 1982, capital outlays for transportation projects are reported in Capital Outlays instead of Transportation.

[5] During 1983 the Lottery returned $8,000,000 to the General Fund. This return of contributed capital has been reported as an equity transfer.

STATE OF MARYLAND

Schedule of Property Tax Levies and Collections

Last Ten Fiscal Years

(Expressed in Thousands)

Fiscal Year	Total Tax Levy	Current Tax Collections	Percentage of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percentage of Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes	Percentage of Delinquent Taxes to Tax Levy
1984	$116,737	$111,254	95.30%	$4,390	$115,644	99.06%	$8,362	7.16%
1983	110,224	104,724	95.01	3,899	108,623	98.55	7,269	6.59
1982	101,418	97,200	95.84	1,888	99,088	97.70	5,668	5.59
1981	88,873	86,320	97.13	2,114	88,434	99.51	3,338	3.77
1980	82,777	80,668	97.45	2,183	82,851	100.09	2,899	3.50
1979	72,932	70,978	97.32	1,661	72,639	99.60	2,973	4.08
1978	79,935	77,703	97.21	2,404	80,107	100.22	2,680	3.35
1977	72,365	70,525	97.46	1,617	72,142	99.69	2,852	3.94
1976	59,762	57,891	96.87	1,585	59,476	99.52	2,629	4.40
1975	52,432	50,686	96.67	1,392	52,078	99.32	2,343	4.47

Source: Miscellaneous Revenue Division, State Comptroller's Office

STATE OF MARYLAND

Schedule of Assessed and Estimated Actual Value of Taxable Property

Last Ten Fiscal Years

(Expressed in Thousands)

	Real Property		Personal Property		Total		
Fiscal Year	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Ratio of Total Assessed to Total Estimated Actual Value
1984	$41,315,153	$93,342,897	$15,384,517	$15,384,517	$56,699,670	$108,727,414	52.1%
1983	37,955,616	83,173,437	14,270,604	14,270,604	52,226,220	97,444,041	53.6
1982	35,220,079	74,936,338	12,544,327	12,544,327	47,764,406	87,480,665	54.6
1981	32,352,018	68,834,081	11,342,424	11,342,424	43,694,442	80,176,505	54.5
1980	30,912,809	65,771,934	10,290,728	10,290,728	41,203,537	76,062,662	54.2
1979	26,911,027	57,257,504	9,470,369	9,470,369	36,381,396	66,727,873	54.5
1978	25,595,978	51,191,956	9,050,193	9,050,193	34,646,171	60,242,149	57.5
1977	23,222,421	46,444,842	8,170,869	8,170,869	31,393,290	54,615,711	57.5
1976	20,887,037	41,774,074	7,359,135	7,359,135	28,246,172	49,133,209	57.5
1975	18,353,376	36,706,752	6,553,113	6,553,113	24,906,489	43,259,865	57.6

Source: *The Thirty-first through the Fortieth Report of The Department of Assessment and Taxation*

STATE OF MARYLAND
Schedule of Property Tax Rates—
(Per $100 of Assessed Value)
All Overlapping Governments
Last Ten Fiscal Years

	1984	1983	1982	1981	1980	1979	1978	1977	1976	1975
State of Maryland	$ .21	$ .21	$ .21	$ .20	$ .20	$ .23	$ .23	$ .23	$ .21	$ .21
Subdivisions:										
Allegany	2.49	2.11	2.21	2.22	2.19	2.35	2.42	2.40	2.40	2.40
Anne Arundel	2.68	2.31	2.46	2.23	2.15	2.15	2.42	2.60	2.30	1.81
Baltimore County	2.99	2.95	2.98	2.93	2.93	2.99	3.05	3.11	3.11	3.21
Calvert	1.96	1.96	1.96	2.00	2.00	2.10	2.30	2.55	2.55	2.60
Caroline	2.16	2.16	2.16	2.16	2.16	2.30	2.38	2.15	2.25	2.75
Carroll	2.04	2.04	2.12	2.12	1.93	2.15	2.40	2.50	2.50	2.50
Cecil	2.65	2.40	2.40	2.40	2.30	2.35	2.50	2.50	2.45	2.45
Charles	2.27	2.17	2.17	2.07	2.14	2.14	2.27	2.42	2.42	2.42
Dorchester	2.24	2.24	2.24	2.29	2.34	2.45	2.59	2.69	2.69	2.69
Frederick	2.25	2.25	2.28	2.28	2.11	2.23	2.40	2.40	2.40	2.40
Garrett	2.83	3.02	3.22	3.31	2.37	2.45	2.63	2.73	2.73	2.73
Harford	2.73	2.55	2.55	2.43	2.41	2.44	2.75	2.97	2.90	2.54
Howard	2.57	2.39	2.45	2.23	2.28	2.43	2.63	2.49	2.44	2.25
Kent	2.00	2.00	2.00	2.00	2.00	2.05	2.34	2.44	2.54	2.64
Montgomery	2.26	2.27	2.27	2.34	2.35	2.60	2.73	2.78	2.83	2.53
Prince George's	2.54	2.63	2.60	2.69	3.04	3.31	3.41	3.37	3.37	3.37
Queen Anne's	2.00	1.94	1.94	1.94	1.44	1.44	1.58	1.80	2.10	2.40
Somerset	1.90	1.80	1.80	1.80	1.80	1.90	1.90	1.90	2.00	2.00
St. Mary's	1.99	1.99	1.99	1.99	2.01	2.15	2.15	2.40	2.55	2.55
Talbot	1.27	1.34	1.42	1.49	1.51	1.69	1.75	1.91	2.00	2.00
Washington	1.98	1.98	2.07	2.19	2.21	2.46	2.50	2.60	2.60	2.50
Wicomico	1.78	1.78	1.78	1.78	1.70	1.60	1.73	1.90	1.90	1.85
Worcester	1.51	1.55	1.59	1.53	1.38	1.60	1.60	1.65	1.75	1.75
Baltimore City	5.99	5.96	5.97	5.93	5.94	5.97	5.99	5.88	6.02	6.09

Source: *The Thirty-first through the Fortieth Report of the Department of Assessment and Taxation*

STATE OF MARYLAND
Schedule of Ratio of General Long-Term Debt
to Assessed Value and General Long-Term Debt Per Capita
Last Ten Fiscal Years

Fiscal Year	(Expressed in Thousands) Estimated Population[1]	Assessed Value [1]	General Long-term Debt [2] [3]	Ratio of General Long-term Debt to Assessed Value	General Long-term Debt per Capita
1984	4,354	$56,699,670	$3,090,800	5.45%	$710
1983	4,319	52,226,220	3,167,090	6.06	733
1982	4,265	47,764,406	2,952,610	6.18	692
1981	4,216	43,694,442	2,943,560	6.74	698
1980	4,193	41,203,537	2,669,365	6.48	637
1979	4,149	36,381,396	2,669,310	7.34	643
1978	4,148	34,646,171	2,684,455	7.74	647
1977	4,139	31,393,290	2,595,449	8.27	627
1976	4,125	28,246,172	2,224,069	7.87	539
1975	4,111	24,906,489	1,835,189	7.37	446

[1] Source: *Fortieth Report of the State Department of Assessments and Taxation*, dated January 1984. Amounts shown are the State's assessable base only.

[2] Source: Miscellaneous Revenue Division, State Comptroller's Office

[3] Includes all long-term general obligation and transportation bonds.

STATE OF MARYLAND

Schedule of Ratio of Annual Debt Service for General Long-Term Debt to Total General Expenditures

Last Ten Fiscal Years

Fiscal Year	(Expressed in Thousands) Principal	Interest	Total Debt Service	Total General Expenditures [2]	Ratio of Debt Service to General Expenditures (Percent)
1984	$228,760	$197,217	$425,977	$5,255,843	8.10%
1983	192,625[1]	183,703[1]	376,328	4,907,011	7.67
1982	184,830[1]	166,483[1]	351,313	4,719,043	7.44
1981	173,015	142,853	315,868	4,726,965	6.68
1980	159,985	133,910	293,895	4,198,951	7.00
1979	133,969	135,841	269,810	3,776,208	7.14
1978	149,739	133,582	283,321	3,323,034	8.53
1977	135,380	119,181	254,561	3,063,517	8.31
1976	119,673	103,615	223,288	2,888,446	7.73
1975	106,568	78,278	184,846	2,608,944	7.09

[1] Excludes $60,000,000 of Bond Anticipation Notes for the Department of Transportation, which were refinanced in fiscal year 1983 and 1982, respectively.

[2] Total general governmental expenditures plus net operating transfers less capital outlays.

Source: General Accounting Division, State Comptroller's Office

STATE OF MARYLAND

Schedule of Revenue Bond Coverage

Last Six Fiscal Years

(Expressed in Thousands)

	MARYLAND TRANSPORTATION AUTHORITY						
Fiscal Year	Gross Revenues	Direct Operating Expenses	Net Revenue Available For Debt Service	Debt Service Requirements Principal	Interest	Total	Coverage
1984	$71,549	$18,950	$52,599	$1,035	$7,764	$8,799	5.98
1983	67,411	17,759	49,652	970	7,815	8,785	5.65
1982	65,014	16,713	48,301	905	7,861	8,766	5.51
1981	63,797	15,436	48,361	850	7,903	8,753	5.53
1980	60,763	13,597	47,166	795	7,941	8,736	5.40
1979[1]	50,591	11,073	39,518	745	7,975	8,720	4.53

[1] Presented for the period August 24, 1978 through June 30, 1979, the period since the operations of its transportation facilities were combined.

Source: Maryland Transportation Authority

STATE OF MARYLAND

Schedule of Taxes Pledged to Consolidated Transportation Bonds and Net Revenues as Defined for Purposes of Consolidated Transporation Bonds Coverage Tests

Last Eight Fiscal Years

(Expressed in Thousands)[1][2]

	Year ended June 30,							
	1984	1983	1982	1981	1980	1979	1978	1977
Revenues:								
Taxes and fees:								
Taxes pledged to bonds	$375,075	$297,593	$245,732	$236,588	$216,428	$227,546	$216,734	$189,864
Other taxes and fees	126,861	106,944	102,956	105,680	59,926	61,094	59,211	56,801
Total taxes and fees	501,936	404,537	348,688	342,268	276,354	288,640	275,945	246,665
Operating revenues	121,409	100,291	96,548	87,912	80,073	67,463	61,368	54,978
Investment income	12,785	6,431	21,261	10,308	3,616	5,682	7,568	6,245
Other	4,056	1,449	971	1,046	1,299	796	670	776
Transfer—Maryland Transportation Authority				10,000	13,000			
Total revenues	640,186	512,708	467,468	451,534	374,342	362,581	345,551	308,664
Administration, operation, and maintenance expenditures	345,469	319,923	280,561	258,906	221,438	192,828	170,235	154,788
Less federal funds	(20,274)	(19,221)	(30,394)	(35,160)	(16,288)	(24,191)	(11,973)	(20,386)
Total	325,195	300,702	250,167	223,746	205,150	168,637	158,262	134,402
Net revenues	$314,991	$212,006	$217,301	$227,788	$169,192	$193,944	$187,289	$174,262
Maximum annual principal and interest requirements	$53,008	$53,008	$50,325	$50,894	$49,216	$53,065	$55,041	$55,041
Ratio of net revenues to maximum annual principal and interest requirements	5.94	4.00	4.32	4.48	3.44	3.65	3.40	3.17
Ratio of taxes pledged to bonds to maximum annual principal and interest requirements	7.08	5.61	4.88	4.65	4.40	4.29	3.94	[3]

Source: Office of the Secretary of the Department of Transportation

[1] Under the terms of the bond authorizing resolutions, additional Consolidated Transportation Bonds may be issued, provided, among other conditions, that (i) total receipts, less administration, operation and maintenance expenditures for the preceding fiscal year equal at least two times maximum annual debt service on all Consolidated Transportation Bonds outstanding and to be issued and any then outstanding Maryland Port Authority Loans and that (ii) total proceeds from pledged taxes equal at least two times maximum annual debt service on all Consolidated Transportation Bonds outstanding and to be issued and any then outstanding Maryland Port Authority Loans.

[2] Information is not available prior to 1977.

[3] The terms of the bond authorizing resolutions did not include this bond's coverage testing during 1977.

STATE OF MARYLAND
Schedule of Demographic Statistics
Last Ten Fiscal Years

Fiscal Year	Population[1]	Per Capita Income[2]	School Enrollment[3]	Unemployment Rate[4]
1984	4,354,000	N/A	888,428	5.8%
1983	4,319,000	$12,994	909,418	8.0
1982	4,265,000	12,237	925,622	8.4
1981	4,216,000	11,533	950,548	7.3
1980	4,193,000	10,385	971,236	6.5
1979	4,149,000	9,319	1,000,435	5.9
1978	4,148,000	8,419	1,028,402	5.6
1977	4,139,000	7,546	1,040,163	6.1
1976	4,125,000	6,981	1,053,859	6.8
1975	4,111,000	6,410	1,049,546	6.9

Sources:
[1] U.S. Department of Commerce, Bureau of Census
[2] U.S. Department of Commerce, Bureau of Economic Analysis
[3] State Departments of Education and Higher Education
[4] State Department of Human Resources
N/A—Not available at this date

STATE OF MARYLAND
Schedule of Property Value and Bank Deposits
Last Ten Fiscal Years
(Expressed in Thousands)

Fiscal Year	Bank Deposits[1]	Property Value[2]			
		Commercial	Residential	Agricultural	Nontaxable
1984	N/A	$22,787,607	$67,645,737	$2,909,553	$20,992,266
1983	$15,879,000	20,438,543	60,083,363	2,714,094	19,489,301
1982	13,831,000	18,742,865	53,639,482	2,553,991	16,868,085
1981	13,462,000	17,348,890	49,036,259	2,448,932	16,808,511
1980	12,727,000	16,929,467	46,452,163	2,390,304	15,235,589
1979	11,703,000	15,119,637	39,887,306	2,250,561	14,539,843
1978	10,926,000	14,253,287	34,893,405	2,045,264	12,577,964
1977	10,100,000	12,565,388	31,910,960	1,968,494	11,820,176
1976	9,033,000	11,175,924	28,750,184	1,847,966	10,693,722
1975	N/A	10,013,071	25,049,068	1,644,613	9,087,102

Sources:
[1] First National Bank of Maryland
[2] State Department of Assessments and Taxation
N/A—Not available at this date

STATE OF MARYLAND

Schedule of Miscellaneous Statistics

June 30, 1984

Date of Ratification	1788
Form of government	Legislative - Executive - Judicial
Miles of State Highways	5,241
Land Area	9,874
State Police Protection:	
Number of Stations	22
Number of State police	1,564
Higher Education (Universities, Colleges and Community Colleges):	
Number of Campuses in State	32
Number of educators	6,616
Number of students	233,672
Recreation:	
Number of State Parks	35
Area of State Parks	90,069 acres
Forest	107,931 acres
Employees	85,436

Source: General Accounting Division, State Comptroller's Office